

FEDERAL REGISTER

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Pages 7267-7306

Agencies in this issue—

Agricultural Research Service
Agricultural Stabilization and
Conservation Service
Civil Aeronautics Board
Civil Service Commission
Comptroller of the Currency
Consumer and Marketing Service
Customs Bureau
Federal Aviation Agency
Federal Communications Commission
Federal Power Commission
Federal Register Administrative
Committee
Fish and Wildlife Service
Food and Drug Administration
Health, Education, and Welfare
Department
Housing and Home Finance Agency
Internal Revenue Service
Labor-Management and Welfare-
Pension Reports Office
Land Management Bureau
Maritime Administration
Securities and Exchange Commission
Tariff Commission

Detailed list of Contents appears inside.



Volume 78

UNITED STATES STATUTES AT LARGE

[88th Cong., 2d Sess.]

Contains laws and concurrent resolutions enacted by the Congress during 1964, the twenty-fourth amendment to the Constitution, and Presidential proclamations. Included is a nu-

merical listing of bills enacted into public and private law, and a guide to the legislative history of bills enacted into public law.

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Contents

AGRICULTURAL RESEARCH SERVICE

Rules and Regulations

- Scabies in sheep; interstate movement..... 7274

AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE

Rules and Regulations

- Cotton, extra long staple, 1964 and succeeding crops; acreage allotments; miscellaneous amendments..... 7271
Rice, 1965 crop; determination of county normal yields..... 7272
Sugar, cane, mainland area; approved local areas for 1964 crop..... 7273

AGRICULTURE DEPARTMENT

See Agricultural Research Service; Agricultural Stabilization and Conservation Service; Consumer and Marketing Service.

CIVIL AERONAUTICS BOARD

Notices

- Hearings, etc.:
Kingston Flying Club..... 7296
Mohawk Golden Age tariff..... 7296

CIVIL SERVICE COMMISSION

Rules and Regulations

- Excepted service:
Appalachian Regional Commission..... 7271
Commission on Civil Rights..... 7271

COMMERCE DEPARTMENT

See Maritime Administration.

COMPTROLLER OF THE CURRENCY

Rules and Regulations

- Required notification to nominate bank directors..... 7275

CONSUMER AND MARKETING SERVICE

Rules and Regulations

- Carrots grown in South Texas; shipments limitation..... 7274
Grapefruit grown in Arizona and California; shipments limitation..... 7273
Packers and stockyards; miscellaneous amendments..... 7275

Proposed Rule Making

- Milk in certain marketing areas; recommended decisions:
Inland Empire..... 7284
Rio Grande Valley..... 7288
Nectarines grown in California; size limitation for specified varieties..... 7284

Notices

Authority delegations:

- Chief, Warehouse Service Branch, et al..... 7295
Officers in charge, National Field Offices, Kansas City and New Orleans..... 7295

CUSTOMS BUREAU

Notices

- Shoes; antidumping; withholding of appraisement notice:
Czechoslovakia..... 7293
Rumania..... 7293

FEDERAL AVIATION AGENCY

Rules and Regulations

- Airworthiness directives; Morrisey Models 2150 and 2150A aircraft..... 7275
Control zone; alteration..... 7276

Proposed Rule Making

- Prerequisites to written exams; withdrawal of proposal..... 7292

FEDERAL COMMUNICATIONS COMMISSION

Notices

- Hearings, etc.:
American Colonial Broadcasting Corp..... 7296
Farragut Television Corp. and Peoples Broadcasting Corp..... 7296
Fidelity Radio, Inc., et al..... 7296
KXYZ Television, Inc., and Crest Broadcasting Co..... 7296
Lamparas Broadcasting Corp. (KCYL)..... 7297
Naugatuck Valley Service, Inc. (WOWW)..... 7297
Parish Broadcasting Co. and Clinton Broadcasting Co..... 7297
Radio Phone Communications, Inc., and American Radio-Telephone Service, Inc..... 7297
Selma Television, Inc. (WSLA-TV)..... 7297
Traxler, John N., et al..... 7298
Waynesboro Broadcasting Corp. and WANV, Inc..... 7300

FEDERAL POWER COMMISSION

Rules and Regulations

- Natural gas pipeline companies; budget applications; direct sales..... 7280

Notices

- Hearings, etc.:
Coastal States Gas Producing Co. et al..... 7300
Pacific Gas Transmission Co..... 7303
Union Carbide Corp..... 7300

FEDERAL REGISTER ADMINISTRATIVE COMMITTEE

- CFR Checklist..... 7271

FISH AND WILDLIFE SERVICE

Rules and Regulations

- Fishery products; miscellaneous amendments..... 7282
Sport fishing in wildlife refuge areas:
Modoc, California..... 7282
Union Slough, Iowa..... 7282

FOOD AND DRUG ADMINISTRATION

Rules and Regulations

- Food additives and pesticide chemicals; inorganic bromides..... 7280
Frozen desserts; postponement of effective date of certain labeling requirements..... 7280

Proposed Rule Making

- Ice cream; standard of identity.... 7292

HEALTH, EDUCATION, AND WELFARE DEPARTMENT

See also Food and Drug Administration.

Notices

- Public Health Service; organization and delegations of authority..... 7296

HOUSING AND HOME FINANCE AGENCY

Notices

- Acting Regional Director of Urban Renewal, Region I, New York; designation..... 7304

INTERIOR DEPARTMENT

See Fish and Wildlife Service; Land Management Bureau.

INTERNAL REVENUE SERVICE

Rules and Regulations

- Income taxes; gain attributable to amortization deduction..... 7281

LABOR DEPARTMENT

See Labor-Management and Welfare-Pension Reports Office.

LABOR-MANAGEMENT AND WELFARE-PENSION REPORTS OFFICE

Notices

- Reporting form D-2; amendment.. 7306

LAND MANAGEMENT BUREAU

Notices

- California; filing of plats of survey and order for opening of public lands..... 7293
Wyoming; proposed withdrawal and reservation of lands..... 7294

(Continued on next page)

MARITIME ADMINISTRATION**Proposed Rule Making**

Interpretation of Merchant Marine Act, 1936, as amended..... 7291

SECURITIES AND EXCHANGE COMMISSION**Rules and Regulations**

Net capital requirements for brokers and dealers..... 7276

Notices*Hearings, etc.:*

Columbia Gas System, Inc..... 7304

Continental Vending Machine Corp..... 7305

KLM Royal Dutch Airlines..... 7305

TARIFF COMMISSION**Notices**

Clinical thermometers; report to the President..... 7306

TREASURY DEPARTMENT

See Comptroller of the Currency; Customs Bureau; Internal Revenue Service.

List of CFR Parts Affected

(Codification Guide)

The following numerical guide is a list of the parts of each title of the Code of Federal Regulations affected by documents published in today's issue. A cumulative list of parts affected, covering the current month to date, appears at the end of each issue beginning with the second issue of the month.

A cumulative guide is published separately at the end of each month. The guide lists the parts and sections affected by documents published since January 1, 1965, and specifies how they are affected.

5 CFR		12 CFR		21 CFR	
213 (2 documents).....	7271	17.....	7275	20.....	7280
7 CFR		14 CFR		120.....	7280
722.....	7271	39.....	7275	121.....	7280
730.....	7272	71.....	7276	PROPOSED RULES:	
845.....	7273	PROPOSED RULES:		20.....	7292
909.....	7273	61.....	7292	26 CFR	
970.....	7274	17 CFR		1.....	7281
PROPOSED RULES:		240.....	7276	46 CFR	
916.....	7284	18 CFR		PROPOSED RULES:	
1133.....	7284	157.....	7280	Ch. II.....	7291
1138.....	7288			50 CFR	
9 CFR				33 (2 documents).....	7282
74.....	7274			260.....	7282
201.....	7275			266.....	7282

Rules and Regulations

Title 1—GENERAL PROVISIONS

Chapter I—Administrative Committee of the Federal Register

CFR CHECKLIST

1965 Issuances

This checklist, prepared by the Office of the Federal Register, is published in the first issue of each month. It is arranged in the order of CFR titles, and shows the issuance date and price of revised volumes and supplements of the Code of Federal Regulations issued to date during 1965. New units issued during the month are announced on the inside cover of the daily FEDERAL REGISTER as they become available.

Order from Superintendent of Documents, Government Printing Office, Washington, D.C., 20402.

CFR Unit (as of Jan. 1, 1965):	Price
3 1964 Supp.	\$1.00
5 (Supp.)	.50
6 (Rev.)	1.00
7 Parts:	
1-50 (Supp.)	1.00
51-52 (Supp.)	1.00
53-209 (Supp.)	1.00
210-399 (Supp.)	.65
900-944 (Rev.)	1.00
945-980 (Rev.)	.65
981-999 (Rev.)	.55
1000-1029 (Rev.)	1.00
1030-1059 (Rev.)	1.00
1060-1089 (Rev.)	1.00
1090-1119 (Rev.)	.70
1120-1199 (Rev.)	1.00
8 (Rev.)	.75
9 (Rev.)	1.25
10-11 (Supp.)	.50
12 (Supp.)	.65
13 (Supp.)	.50
14 Parts:	
1-39 (Rev.)	1.25
40-199 (Rev.)	1.25
200-1199 (Rev.)	1.25
1200-end (Rev.)	.35
15 (Rev.)	1.25
16 (Supp.)	1.00
17 (Supp.)	.50
18 (Supp.)	.70
19 (Rev.)	1.75
20 (Rev.)	1.75
21 Parts:	
1-129 (Rev.)	1.75
130-end (Rev.)	2.25
22 (Rev.)	1.00
23 (Rev.)	.25
25 (Supp.)	.70
26 Parts:	
1 (§§ 1.01-1.400) (Supp.)	1.00
1 (§§ 1.401-1.860) (Supp.)	1.25
1 (§§ 1.861-end) to Part 19 (Supp.)	1.50
20-29 (Supp.)	.40
30-39 (Supp.)	.50
40-169 (Supp.)	1.00
170-299 (Supp.)	.75
300-499 (Supp.)	.50
500-599 (Supp.)	.30
600-end (Supp.)	.40

CFR Unit (as of Jan. 1, 1965)—

Continued	Price
27 (Supp.)	\$0.30
28 (Rev.)	.55
29 (Rev.)	3.00
30 (Rev.)	1.25
32 Parts:	
1-39 (Rev.)	2.25
40-399 (Supp.)	.60
590-699 (Supp.)	.70
800-999 (Rev.)	1.25
1000-1099 (Rev.)	1.75
32A (Rev.)	1.00
33-34 (Supp.)	.65
35 (Supp.)	.40
36 (Supp.)	.50
38 (Rev.)	2.50
39 (Supp.)	1.25
41 Chapters:	
1 (Rev.)	2.00
2-4 (Rev.)	.70
18-100 (Rev.)	2.25
101-end (Rev.)	1.25
42 (Supp.)	1.00
43 (Rev.)	2.50
44 (Supp.)	.35
45 (Supp.)	1.00
46 Parts:	
1-145 (Supp.)	.50
146-149 (Rev.)	2.75
150-199 (Rev.)	1.25
200-end (Rev.)	1.75
47 Parts:	
0-19 (Rev.)	1.00
20-69 (Rev.)	1.50
70-79 (Rev.)	1.00
80-end (Rev.)	1.50
48 (Rev.)	.45
49 Parts:	
0-70 (Supp.)	.40
71-90 (Rev.)	2.00
91-164 (Supp.)	.60
165-end (Supp.)	.40
50 (Supp.)	.60

Title 5—ADMINISTRATIVE PERSONNEL

Chapter I—Civil Service Commission

PART 213—EXCEPTED SERVICE

Appalachian Regional Commission

1. Section 213.3276 is added to show the exception under Schedule B of two positions of Program Coordinator in the Appalachian Regional Commission. Effective on publication in the FEDERAL REGISTER, § 213.3276 is added as set out below.

§ 213.3276 Appalachian Regional Commission.

(a) Two Program Coordinators.

2. Section 213.3376 is added to show the exception under Schedule C of the positions of Special Assistant and Private Secretary to the Federal Cochairman and of Special Assistant and Private Secretary to his Alternate in the Appalachian Regional Commission. Effective

on publication in the FEDERAL REGISTER, § 213.3376 is added as set out below.

§ 213.3376 Appalachian Regional Commission.

(a) One Special Assistant to the Federal Cochairman and one Special Assistant to his Alternate.

(b) One Private Secretary to the Federal Cochairman and one Private Secretary to his Alternate.

(R.S. 1753, sec. 2, 22 Stat. 403, as amended; 5 U.S.C. 631, 633; E.O. 10577, 19 F.R. 7521, 3 CFR, 1954-1958 Comp., p. 218)

UNITED STATES CIVIL SERVICE COMMISSION,

[SEAL] MARY V. WENZEL,
Executive Assistant to
the Commissioners.

[F.R. Doc. 65-5703; Filed, June 1, 1965; 8:47 a.m.]

PART 213—EXCEPTED SERVICE

Commission on Civil Rights

Section 213.3356 is amended to show the exception under Schedule C of the position of Special Assistant for Public Affairs. Effective on publication in the FEDERAL REGISTER, paragraph (e) is added to § 213.3356 as set out below.

§ 213.3356 Commission on Civil Rights.

(e) One Special Assistant for Public Affairs.

(R.S. 1753, sec. 2, 22 Stat. 403, as amended; 5 U.S.C. 631, 633; E.O. 10577, 19 F.R. 7521, 3 CFR, 1954-1958 Comp., p. 218)

UNITED STATES CIVIL SERVICE COMMISSION,

[SEAL] MARY V. WENZEL,
Executive Assistant to
the Commissioners.

[F.R. Doc. 65-5704; Filed, June 1, 1965; 8:47 a.m.]

Title 7—AGRICULTURE

Chapter VII—Agricultural Stabilization and Conservation Service (Agricultural Adjustment), Department of Agriculture

SUBCHAPTER B—FARM MARKETING QUOTAS AND ACREAGE ALLOTMENTS

[Amdt. 6]

PART 722—COTTON

Subpart—Acreage Allotment Regulations for the 1964 and Succeeding Crops of Extra Long Staple Cotton

MISCELLANEOUS AMENDMENTS

(a) This amendment is issued pursuant to the Agricultural Adjustment Act of 1938, as amended (52 Stat. 31, as amended; 7 U.S.C. 1281 et seq.). This amendment clarifies the proviso in § 722.313(b)(5) to make clear that the

PART 730—RICE

Subpart—1965-66 Marketing Year

DETERMINATION OF COUNTY NORMAL YIELDS FOR 1965 CROP

The regulations contained in § 730.1608 are issued pursuant to and in conformity with the rice marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended. Section 301(b)(13), subparagraphs (D) and (F), of the Act provide definitions for county normal yields as follows:

(D) "Normal yield" for any county, in the case of rice * * *, shall be the average yield per acre of rice * * *, for the county during the 5 calendar years immediately preceding the year for which such normal yield is determined * * *, adjusted for abnormal weather conditions and for trends in yields. If for any such year data are not available, or there is no actual yield, an appraised yield for such year, determined in accordance with regulations issued by the Secretary, taking into consideration the yields obtained in surrounding counties during such year and the yield in years for which data are available, shall be used as the actual yield for such year.

(F) In applying subparagraphs (D) and (E), if on account of drought, flood, insect pests, plant disease, or other uncontrollable natural cause, the yield for any year of such 5-year period is less than 75 per centum of the average, 75 per centum of such average shall be substituted therefor in calculating the normal yield per acre. If, on account of abnormally favorable weather conditions, the yield for any year of such 5-year period is in excess of 125 per centum of the average, 125 per centum of such average shall be substituted therefor in calculating the normal yield per acre.

Prior to the issuance of the regulations for determining county normal yields for 1965 and the determination of county normal yields thereunder, public notice (29 F.R. 13273) was given in accordance with the provisions of the Administrative Procedure Act (5 U.S.C. 1003). No data, views, or recommendations pertaining thereto were submitted pursuant to such notice. Since farmers will be harvesting rice in areas prior to the date that county normal yields would ordinarily become effective (30 days after publication in the Federal Register), it is hereby found that the proclamations and determinations herein shall become effective upon the date of the filing of this document with the Director, Office of the Federal Register.

Section 730.1608 is issued to provide the regulations for determining county normal yields and to proclaim the yields for the 1965 crop of rice determined thereunder.

§ 730.1608 County normal yields for 1965 crop rice.

(a) *Regulations.* County normal yields for 1965 crop rice shall be determined by computing the average yield per harvested acre of rice for each county producing rice during the years 1960 through 1964, adjusted for abnormal weather conditions and other uncontrollable natural causes and for trends in yields. Where data for any year are not available, or there was no actual yield, an appraised yield for such year shall be determined on the basis of the yields ob-

tained in surrounding counties during such year and the yield in years for which data are available. Adjustments for abnormal weather conditions and other uncontrollable natural causes shall be as follows: For any annual yield, including an appraised yield, which is less than 75 per centum of the 5-year (1960-64) average yield, 75 per centum of such average shall be substituted therefor; and for any annual yield, including an appraised yield, which is in excess of 125 per centum of the 5-year (1960-64) average yield, 125 per centum of such average shall be substituted therefor. The adjustment for trends in yields shall be made by adopting as the county normal yield the simple average of (1) the 1960-64 average yield per harvested acre of rice for the county, adjusted for abnormal weather conditions and other uncontrollable natural causes as provided in the preceding sentence, and (2) the 1963-64 average yield per harvested acre of rice for the county, similarly adjusted, except that no trend adjustment shall be made unless the 2-year adjusted average is higher than the 5-year adjusted average. Notwithstanding the adjustments as indicated above, no county normal yield shall be less than the unadjusted 5-year (1960-64) average yield.

(b) *Statistical data.* Section 301(c) of the Agricultural Adjustment Act of 1938, as amended, provides that "The latest available statistics of the Federal Government shall be used by the Secretary in making the determinations required to be made by the Secretary under this act." In accordance therewith, the annual yields of rice for counties in the States of Arkansas, California, Louisiana, Mississippi, Missouri, and Texas used in the determination of county normal yields in this section shall be the latest official yields determined by the Statistical Reporting Service of the Department, on the basis of its estimate of harvested acres and production of rice in applicable counties of those States during each of the years 1960 through 1964, except that if such a yield for any year is not available an appraised yield shall be used for such year. In the minor rice-producing States of Florida, Illinois, North Carolina, Oklahoma, South Carolina, and Tennessee where no official estimates of rice yields were available, the annual rice yields for the years 1960 through 1964 used in determining the county normal yields in this section for the applicable counties in these States shall be those obtained by special surveys covering all farms producing rice in any of the calendar years 1960 through 1964.

(c) *Proclamation of county normal yields.* County normal yields for 1965 crop rice, determined in accordance with paragraphs (a) and (b) of this section, are as follows:

ARKANSAS			
Normal yield per harvested acre		Normal yield per harvested acre	
County (pounds)		County (pounds)	
Arkansas	4,256	Conway	4,010
Ashley	3,818	Craighead	4,362
Chicot	4,066	Crittenden	3,898
Clark	3,327	Cross	4,104
Clay	4,042	Dallas	3,065

prohibition on reapportionment of allotment released from a farm covered by a conservation program contract is not applicable where such contract does not or will not provide for any change in land use on the farm, and this amendment also deletes the provisions relating to erroneous notices of planted acreage which are covered by Part 718 of this chapter.

(b) In order to make clear that allotments released for the current crop from a farm covered by a conservation program contract which does not provide for any change in land use may properly be reapportioned for the current crop, it is essential that this amendment be made effective as soon as possible. Accordingly, it is hereby determined and found that compliance with the notice, public procedure and 30-day effective date requirements of section 4 of the Administrative Procedure Act (60 Stat. 238; 5 U.S.C. 1003) is impracticable and contrary to the public interest and this amendment shall be effective upon filing this document with the Director, Office of the Federal Register.

The Acreage Allotment Regulations for the 1964 and Succeeding Crops of Extra Long Staple Cotton (28 F.R. 11034, as amended) are amended as follows:

1. Section 722.313(b)(5) of the regulations is amended to read as follows:

§ 722.313 Release and reapportionment of ELS Cotton allotments.

(b) *Allotments which may be released and reapportioned.* * * *

(5) *Reapportionment by county committee.* Released allotments shall be reapportioned by the county committee not later than the applicable closing date to other farms receiving farm allotments in the same county for which timely application is filed in amounts determined by the county committee to be fair and reasonable pursuant to the applicable standards and guidelines under subparagraph (4) of this paragraph: *Provided*, That any allotment released from a farm which is covered in whole or in part by a contract under the conservation programs or for which an application for such contract is pending, shall not be reapportioned by the county committee to any other farm or surrendered to the State committee for reapportionment to other counties, unless such contract does not or will not provide for any change in land use on the farm.

§ 722.324 [Amended]

2. Section 722.324 of the regulations is amended by deleting paragraph (b) thereof.

(Secs. 344, 375, 63 Stat. 670, as amended, 52 Stat. 66, as amended; 7 U.S.C. 1344, 1375)

Effective date: Date of filing this document with the Director, Office of the Federal Register.

Signed at Washington, D.C., on May 27, 1965.

H. D. GODFREY,
Administrator, Agricultural Sta-
bilization and Conservation
Service.

[F.R. Doc. 65-5726; Filed, June 1, 1965;
8:49 a.m.]

ARKANSAS—Continued

County (pounds)	Normal yield per harvested acre	County (pounds)	Normal yield per harvested acre
Desha	3,975	Lonoke	4,132
Drew	3,767	Miller	3,060
Faulkner	3,652	Mississippi	3,918
Grant	3,065	Monroe	4,037
Greene	4,081	Perry	3,097
Hot Spring	3,678	Phillips	3,608
Independence	3,996	Poinsett	4,330
Jackson	4,044	Prairie	4,227
Jefferson	3,993	Pulaski	3,466
Lafayette	3,086	Randolph	3,830
Lawrence	4,052	St. Francis	3,780
Lee	3,716	White	3,836
Lincoln	4,002	Woodruff	3,926
Little River	3,613	State	4,094

CALIFORNIA

Butte	4,952	Riverside	4,295
Colusa	4,802	Sacramento	4,872
Fresno	3,826	San Joaquin	4,314
Glenn	4,956	Stanislaus	4,144
Imperial	4,245	Sutter	5,038
Kern	3,314	Tulare	3,564
Kings	2,382	Yolo	4,870
Madera	4,012	Yuba	4,475
Merced	4,096	State	4,770
Placer	3,404		

FLORIDA

Hendry	1,984
Palm Beach	1,087
State	1,182

ILLINOIS

Adams	3,000
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LOUISIANA

Acadia	3,207	Morehouse	3,515
Allen	3,172	Pointe Coupee	3,500
Ascension	3,090	Rapides	3,598
Assumption	2,963	Richland	2,272
Avoyelles	3,320	St. Charles	2,355
Beauregard	2,665	St. James	3,034
Bossier	3,000	St. John the Baptist	3,154
Calcasieu	2,796	St. Landry	3,430
Cameron	3,138	St. Martin	3,086
Concordia	3,515	St. Mary	2,968
East Carroll	3,581	St. Tammany	2,080
Evangeline	3,416	Tensas	3,350
Grant	2,888	Terrebonne	2,790
Iberia	3,214	Vermilion	3,284
Iberville	3,380	West Baton Rouge	3,570
Jefferson Davis	3,259	Rouge	3,426
LaFayette	3,355	West Carroll	3,200
LaFourche	1,915	State	
Madison	3,330		

MISSISSIPPI

Bolivar	3,692	Quitman	3,212
Coahoma	3,536	Sharkey	3,490
De Soto	3,523	Sundowner	3,684
Hancock	2,500	Tallahatchie	3,358
Humphreys	3,554	Tate	3,546
Issaquena	2,950	Tunica	3,454
Laflore	3,300	Washington	3,755
Panola	3,474	State	3,616

MISSOURI

Butler	4,224	Pemiscot	3,823
Lewis	2,785	Ripley	3,819
Lincoln	2,882	St. Charles	3,510
Marion	3,544	Scott	3,662
Mississippi	3,080	Stoddard	4,036
New Madrid	3,858	State	3,955

NORTH CAROLINA

Brunswick	1,549
Hyde	1,740
State	1,695

OKLAHOMA

McCurtain	3,777
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SOUTH CAROLINA

Berkeley	1,802	Horry	1,520
Charleston	1,358	Jasper	2,002
Colleton	926	Kershaw	1,162
Georgetown	1,000	State	1,496

TENNESSEE

Dyer	3,917
Fayette	2,270
Lauderdale	3,502
State	3,733

TEXAS

County (pounds)	Normal yield per harvested acre	County (pounds)	Normal yield per harvested acre
Austin	4,105	Lavaca	4,122
Bowie	3,848	Liberty	3,458
Brazoria	3,741	Matagorda	4,286
Calhoun	3,938	Newton	3,192
Chambers	3,678	Orange	3,095
Colorado	4,218	Polk	2,725
Fort Bend	4,100	Travis	3,100
Galveston	3,740	Victoria	4,184
Hardin	3,458	Walker	2,615
Harris	3,912	Waller	4,115
Jackson	4,272	Washington	3,100
Jasper	3,181	Wharton	4,284
Jefferson	3,282	State	3,882

(Secs. 301, 375, 52 Stat. 38, as amended by 70 Stat. 212, 52 Stat. 66, as amended; 7 U.S.C. 1301, 1375)

Effective date: Upon filing with the Director, Office of the Federal Register.

Signed at Washington, D.C., on May 27, 1965.

H. D. GODFREY,
Administrator, Agricultural Stabilization and Conservation Service.

(F.R. Doc. 65-5727; Filed, June 1, 1965; 8:49 a.m.)

Chapter VIII—Agricultural Stabilization and Conservation Service (Sugar), Department of Agriculture

SUBCHAPTER F—DETERMINATION OF NORMAL YIELDS AND ELIGIBILITY FOR ABANDONMENT AND CROP DEFICIENCY PAYMENTS

[Sugar Determination 845.2—Supp. 41]

PART 845—MAINLAND CANE SUGAR AREA

Approved Local Areas for 1964 Crop

§ 845.6 Approved local areas for the 1964 crop.

For purposes of considering eligibility of farms for abandonment and crop deficiency payments on 1964-crop sugarcane pursuant to paragraph (c) of § 845.2, as amended, the local ASC parish committees in Louisiana and the ASC Glades County Committee in Florida have determined that the extent of crop damage, as specified and provided in subparagraph (1) (iii) of paragraph (c) of § 845.2, has occurred in the following parishes and local producing area:

LOUISIANA

Parishes approved in their entirety.

Ascension.	St. James.
Assumption.	St. John.
East Baton Rouge.	St. Mary.
Iberia.	Terrebonne.
Iberville.	West Baton Rouge.
LaFourche.	West Feliciana.
St. Charles.	

FLORIDA

All of Florida.

Statement of bases and considerations. This supplement provides public notice of the parishes in Louisiana and the local producing area in Florida where due to drought, flood, storm, freeze, disease, or insects, the 1964 sugarcane crop has been damaged to the extent that farms located in whole or in part therein will be considered (as to location) for abandonment or deficiency payments. Producers on these farms who have not filed applications for Sugar Act payments with respect to acreage abandonment or crop deficiencies for which they may otherwise be eligible should apply for such payments before December 31, 1966, as provided in 7 C.F.R. 892.1 (29 F.R. 9426).

(Sec. 403, 61 Stat. 923; 7 U.S.C. 1153. Secs. 301, 302, 61 Stat. 929, 930, as amended; 7 U.S.C. 1131, 1132)

Effective date: Date of publication.

Signed at Washington, D.C., on May 26, 1965.

CHAS. M. COX,
Acting Deputy Administrator,
State and County Operations.

(F.R. Doc. 65-5728; Filed, June 1, 1965; 8:49 a.m.)

Chapter IX—Consumer and Marketing Service (Marketing Agreements and Orders; Fruits, Vegetables, Tree Nuts), Department of Agriculture

[Grapefruit Reg. 28]

PART 909—GRAPEFRUIT GROWN IN ARIZONA; IN IMPERIAL COUNTY, CALIF.; AND IN THAT PART OF RIVERSIDE COUNTY, CALIF., SITUATED SOUTH AND EAST OF WHITE WATER, CALIF.

Limitation of Shipments

§ 909.328 Grapefruit Regulation 28.

(a) *Findings.* (1) Pursuant to the marketing agreement, as amended, and this part (Order No. 909 as amended), regulating the handling of grapefruit grown in the State of Arizona; in Imperial County, California; and in that part of Riverside County, California, situated south and east of White Water, California, effective under the applicable provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601-674), and upon the basis of the recommendations of the Administrative Committee (established under the aforesaid amended marketing agreement and order), and upon other available information, it is hereby found that the limitation of shipments of grapefruit, as hereinafter provided, will tend to effectuate the declared policy of the act.

(2) It is hereby further found that it is impracticable and contrary to the public interest to give preliminary notice, engage in public rule-making procedure, and postpone the effective date of this section until 30 days after publication thereof in the FEDERAL REGISTER (5 U.S.C. 1001-1011) because the time intervening

between the date when information upon which this section is based became available and the time when this section must become effective in order to effectuate the declared policy of the act is insufficient, and this section relieves restrictions on the handling of grapefruit in that it permits the handling of grapefruit which are not now permitted to be handled; information regarding the provisions of the regulation recommended by the committee has been disseminated to shippers of grapefruit, grown as aforesaid, and this section, including the effective time thereof, is identical with the recommendation of the committee; and compliance with this section will not require any special preparation on the part of persons subject thereto which cannot be completed on or before the effective date hereof.

(b) *Order.* (1) Grapefruit Regulation 27 (§ 909.327; 30 F.R. 6430) is hereby terminated at 12:01 a.m., P.s.t., June 3, 1965.

(2) Except as otherwise provided in subparagraph (3) of this paragraph, during the period beginning at 12:01 a.m., P.s.t., June 3, 1965, and ending at 12:01 a.m., P.s.t., August 1, 1965, no handler shall handle from the State of California or the State of Arizona to any point outside thereof:

(i) Any grapefruit which do not meet the requirements of the U.S. No. 2 grade and which are not free from peel that is more than one inch in thickness at the stem end (measured from the flesh to the highest point of the peel): *Provided*, That grapefruit having any amount of light or fairly light colored scarring may be handled if they otherwise grade at least U.S. No. 2: *Provided further*, That the tolerance prescribed for the U.S. No. 2 grade shall be the tolerances applicable to the requirements of this subparagraph except that not more than 5 percent shall be allowed for grapefruit having peel more than one inch in thickness at the stem end; or

(ii) Any grapefruit which measure less than $3\frac{3}{16}$ inches in diameter, except that a tolerance of 5 percent, by count, for grapefruit smaller than $3\frac{3}{16}$ inches shall be permitted, which tolerance shall be applied in accordance with the provisions for the application of tolerances specified in the revised United States Standards for Grapefruit (California and Arizona), §§ 51.925-51.955 of this title: *Provided*, That in determining the percentage of grapefruit in any lot which are smaller than $3\frac{3}{16}$ inches in diameter, such percentage shall be based only on grapefruit in such lot which are of a size $3\frac{1}{16}$ inches in diameter and smaller.

(3) Subject to the requirements of subparagraph (2) (i) of this paragraph, any handler may, but only as the initial handler thereof, handle grapefruit smaller than $3\frac{3}{16}$ inches in diameter directly to a destination in Zone 3 or Zone 4.

(4) As used herein, "handler," "variety," "grapefruit," "handle," "Zone 1," "Zone 2," "Zone 3," and "Zone 4" shall have the same meaning as when used in said amended marketing agreement and order; the term "U.S. No. 2" shall have the same meaning as when used in the aforesaid revised United States

Standards for Grapefruit; and "diameter" shall mean the greatest dimension measured at right angles to a line from the stem to blossom end of the fruit.

(Secs. 1-19, 48 Stat. 31, as amended; 7 U.S.C. 601-674)

Dated: June 1, 1965.

PAUL A. NICHOLSON,
Deputy Director, Fruit and Vegetable Division, Consumer and Marketing Service.

[F.R. Doc. 65-5817; Filed, June 1, 1965; 11:15 a.m.]

[970.305 Amdt. 7]

PART 970—CARROTS GROWN IN SOUTH TEXAS

Limitation of Shipments

Findings. (a) Pursuant to Marketing Agreement No. 142 and Order No. 970, both as amended (7 CFR Part 970), regulating the handling of carrots grown in designated counties in South Texas, effective under the applicable provisions of the Agricultural Marketing Agreement Act of 1937, as amended (Secs. 1-19, 48 Stat. 31, as amended; 7 U.S.C. 601 et seq.), and upon the basis of the recommendation and information submitted by the South Texas Carrot Committee, established pursuant to said marketing agreement and order, and upon other available information, it is hereby found that the amendment to the limitation of shipments hereinafter set forth will tend to effectuate the declared policy of the act and is warranted, and will maintain orderly marketing conditions tending to increase returns to carrot growers in the production area.

(b) It is hereby found that it is impracticable and contrary to the public interest to give preliminary notice, or engage in public rule making procedure, and that good cause exists for not postponing the effective date of this amendment until 30 days after publication in the Federal Register (5 U.S.C. 1003) in that (1) the 1964-65 marketing season for South Texas carrots has only about 5 weeks remaining, (2) to maximize benefits to growers, this amendment should apply to as many shipments of carrots as possible during the remainder of the 1964-65 season, (3) compliance with this amendment will not require any special preparation on the part of handlers which cannot be completed by the time this amendment becomes effective, (4) information regarding the Committee's recommendation has been disseminated to producers and handlers in the production area, and (5) this amendment relieves restrictions on the handling of carrots grown in the production area.

Order, as amended. In § 970.305 (29 F.R. 15018, 30 F.R. 305, 644, 777, 880, 1728, 6479) amend the introductory paragraph and paragraph (b) to read as follows:

§ 970.305 Limitation of shipments.

During the period from May 27, 1965, through June 30, 1965, no handler shall (1) package or load carrots on Sundays, or (2) handle any lots of carrots grown in the production area unless such car-

rots meet the grade requirements of paragraph (a), and one of the size designations of paragraph (b), and meet the container and pack requirements of paragraphs (c) and (d), or unless such carrots are handled in accordance with provisions of paragraphs (e), (f), (g), and (h) of this section.

(b) *Sizing requirements.*—(1) *Medium-to-large.* $\frac{3}{4}$ inch minimum diameter to $1\frac{1}{2}$ inches maximum diameter, $5\frac{1}{2}$ inches minimum length.

(2) *Jumbos.* 1 inch minimum diameter to 2 inches maximum diameter and 6 inches minimum length.

(Secs. 1-19, 48 Stat. 31, as amended; 7 U.S.C. 601 et seq.)

Dated: May 26, 1965, to become effective May 27, 1965.

PAUL A. NICHOLSON,
Deputy Director, Fruit and Vegetable Division, Consumer and Marketing Service.

[F.R. Doc. 65-5694; Filed, June 1, 1965; 8:46 a.m.]

Title 9—ANIMALS AND ANIMAL PRODUCTS

Chapter I—Agricultural Research Service, Department of Agriculture

SUBCHAPTER C—INTERSTATE TRANSPORTATION OF ANIMALS AND POULTRY

PART 74—SCABIES IN SHEEP

Interstate Movement

Pursuant to the provisions of sections 4 through 7 of the Act of May 29, 1884, as amended, sections 1 and 2 of the Act of February 2, 1903, as amended, and sections 1 through 4 of the Act of March 3, 1905, as amended (21 U.S.C. 111-113, 115, 117, 120, 121, 123-126), §§ 74.2 and 74.3 of Part 74, Subchapter C, Chapter I, Title 9, Code of Federal Regulations, as amended (29 F.R. 14053, 15077, 15943; 30 F.R. 701, 4750), are hereby further amended in the following respects:

1. Subparagraph (1) of § 74.2(a) is hereby amended to read:

§ 74.2 Designation of free and infected areas.

(a) * * *

(1) Alabama, Alaska, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, District of Columbia, Florida, Georgia, Hawaii, Idaho, Illinois, Indiana, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Puerto Rico, Rhode Island, South Carolina, South Dakota, Utah, Vermont, Virginia, Virgin Islands of the United States, Washington, West Virginia, Wisconsin, and Wyoming;

2. Subparagraph (1) of § 74.3(a) is hereby amended to read as follows and

subparagraphs (5) and (6) are hereby deleted.

§ 74.3 Designation of eradication areas.

(a) * * *

(1) Iowa and Tennessee;

(Secs. 4-7, 23 Stat. 32, as amended, secs. 1, 2, 32 Stat. 791-792, as amended, secs. 1-4, 33 Stat. 1264, as amended, 1265, as amended; 21 U.S.C. 111-113, 115, 117, 120, 121, 123-128; 19 F.R. 74, as amended)

Effective date. The foregoing amendment shall become effective upon issuance.

The amendment adds one county in the State of Ohio, 73 counties in the State of Nebraska, and the entire States of Indiana and West Virginia to the list of free areas and deletes such counties and States from the list of infected and eradication areas as sheep scabies is no longer known to exist therein. In addition to Indiana and West Virginia, the entire States of Ohio and Nebraska are now designated as free areas. Hereafter, the restrictions pertaining to the interstate movement of sheep from or into infected and eradication areas, as contained in 9 CFR Part 74, as amended, will not apply to Indiana, Nebraska, Ohio, or West Virginia. However, the restrictions in said Part 74 pertaining to the interstate movement of sheep from or into free areas will apply to such States.

The amendment relieves certain restrictions presently imposed and must be made effective immediately to be of maximum benefit to persons subject to the restrictions which are relieved. Accordingly, under section 4 of the Administrative Procedure Act (5 U.S.C. 1003), it is found upon good cause that notice and other public procedure with respect to the amendment are impracticable and contrary to the public interest, and good cause is found for making the amendment effective less than 30 days after publication in the FEDERAL REGISTER.

Done at Washington, D.C., this 27th day of May 1965.

R. J. ANDERSON,
Acting Administrator,
Agricultural Research Service.

[F.R. Doc. 65-5729; Filed, June 1, 1965; 8:49 a.m.]

Chapter II—Consumer and Marketing Service (Packers and Stockyards Division), Department of Agriculture

PART 201—REGULATIONS UNDER THE PACKERS AND STOCKYARDS ACT

Miscellaneous Amendments

Effective upon publication in the FEDERAL REGISTER, §§ 201.2 and 201.34, Part 201, Chapter II, Title 9 of the Code of Federal Regulations, and the heading of said Chapter are hereby amended as follows:

1. The heading of Chapter II of Title 9 is amended to read as set forth above.
2. Section 201.2(d) is amended to read:

§ 201.2 Terms defined.

(d) "Service" means the Consumer and Marketing Service of the Department.

3. Section 201.34 is amended by changing the words "Agricultural Marketing Service" to read "Consumer and Marketing Service."

This amendment reflects a change in the name of the Agricultural Marketing Service (30 F.R. 2160). In view of the fact that no changes of a substantial nature are being made, it is found under section 4 of the Administrative Procedure Act (5 U.S.C. 1003) that notice and public procedure regarding the amendment are unnecessary and impracticable, and good cause is found for making the amendment effective in less than 30 days after the publication thereof in the FEDERAL REGISTER.

(Sec. 407(a), 42 Stat. 169, 72 Stat. 1750; 7 U.S.C. 228)

Done at Washington, D.C., this 26th day of May 1965.

CLARENCE H. GIRARD,
Deputy Administrator,
Regulatory Programs.

[F.R. Doc. 65-5730; Filed, June 1, 1965; 8:49 a.m.]

Title 12—BANKS AND BANKING

Chapter I—Bureau of the Comptroller of the Currency, Department of the Treasury

PART 17—REQUIRED NOTIFICATION TO NOMINATE BANK DIRECTORS

Amendment of Articles of Association or Bylaws

This part, issued pursuant to the authority contained in the National Banking Laws (R.S. 324 et seq., as amended; 12 U.S.C. 1 et seq.), relates to the requirement that advance notice be given of the nomination of a national bank director. Notice of the proposed part was published in the FEDERAL REGISTER on April 29, 1965 (30 F.R. 6074). All comments and suggested revisions received have been considered and some have resulted in changes which have been incorporated into this regulation.

The new Part 17 will become effective on June 1, 1965.

Chapter 1, Title 12, of the Code of Federal Regulations is hereby amended by an addition of a new Part 17 as follows:

§ 17.1 Amendment of articles of association or bylaws.

Any national bank may provide in its articles of association or bylaws, or both, for a requirement that any shareholder who intends to nominate or to cause to have nominated any candidate for election to the board of directors (other than any candidate proposed by the bank's present management) shall notify the bank and the Comptroller of the Currency. Such bylaw or amendment may provide that the notification shall be

made in writing and delivered or mailed to the President of the bank and to the Comptroller of the Currency not less than 14 days nor more than 50 days prior to any meeting of stockholders called for the election of directors, provided however, that if less than 21 days' notice of the meeting is given to shareholders, such nomination shall be delivered or mailed to the President of the bank and to the Comptroller not later than the close of the seventh day following the day on which the notice of meeting was mailed. Such notification shall contain the following information to the extent known to the notifying shareholders:

- (a) The names and addresses of the proposed nominee;
- (b) The principal occupation of each proposed nominee;
- (c) The total number of shares that to the knowledge of the notifying shareholders will be voted for each of the proposed nominees;
- (d) The name and residence address of the notifying shareholder; and
- (e) The number of shares owned by the notifying shareholder.

If a national bank duly adopts the foregoing notice requirements, any nomination for director not made in accordance therewith, may be disregarded by the chairman of the meeting and votes cast for each such nominee may be disregarded by the vote tellers. In the event the same person is nominated by more than one shareholder, the nomination shall be honored and all shares shall be counted if at least one nomination for that person complies with this part.

(R.S. 324 et seq., as amended; 12 U.S.C. 1 et seq.)

Dated: May 27, 1965.

[SEAL] JAMES J. SAXON,
Comptroller of the Currency.

[F.R. Doc. 65-5723; Filed, June 1, 1965; 8:49 a.m.]

Title 14—AERONAUTICS AND SPACE

Chapter I—Federal Aviation Agency

[Docket No. 6666; Amdt. 39-76]

PART 39—AIRWORTHINESS DIRECTIVES

Morrissey Models 2150 and 2150A Aircraft

There have been cracks in the elevator horn of Morrissey Models 2150 and 2150A aircraft that have been attributed to a fabrication defect. Since this condition is likely to exist or develop in other products of the same type design, an airworthiness directive is being issued to require repetitive inspections of the elevator horn until installation of a modified horn.

As a situation exists which demands immediate adoption of this regulation, it is found that notice and public procedure hereon are impracticable and good cause exists for making this amendment effective in less than 30 days.

In consideration of the foregoing, and pursuant to the authority delegated to me by the Administrator (25 F.R. 6489), § 39.13 of Part 39 of the Federal Aviation Regulations is amended by adding the following new airworthiness directive:

MORRISBY. Applies to Models 2150 and 2150A aircraft.

Compliance required as indicated. To prevent further elevator horn cracks as a result of improper fabrication, accomplish the following:

(a) Visually inspect the 180° bend of the elevator horn, P/N 6000-9, for cracks within the next 25 hours' time in service after the effective date of this AD, and thereafter at intervals not to exceed 100 hours' time in service from the last inspection.

(b) If cracks are found, replace the elevator horn before further flight with a new horn, P/N 6000-9, manufactured after February 1, 1965, or an equivalent approved by the Chief, Aircraft Engineering Division, FAA Western Region.

(c) The repetitive inspections required by paragraph (a) may be discontinued when the elevator horn is replaced in accordance with paragraph (b).

NOTE: Elevator horn, P/N 6000-9, may be obtained from Shinn Engineering, Inc., 320 Dyer Road, Santa Ana, Calif.

This amendment becomes effective June 2, 1965.

(Secs. 313(a), 601, 603, Federal Aviation Act of 1958; 49 U.S.C. 1354(a), 1421, 1423)

Issued in Washington, D.C., on May 25, 1965.

C. W. WALKER,
Acting Director,
Flight Standards Service.

[P.R. Doc. 65-5679; Filed, June 1, 1965; 8:45 a.m.]

[Airspace Docket No. 65-SW-17]

PART 71—DESIGNATION OF FEDERAL AIRWAYS, CONTROLLED AIRSPACE, AND REPORTING POINTS

Alteration of Control Zone

The purpose of this amendment to Part 71 of the Federal Aviation Regulations is to alter the time of designation of the Lawton, Okla., control zone.

This control zone is presently designated on a full-time basis. The Department of the Army has advised that weather reporting service will now be available only from 0630 to 2230 hours, local time, daily. Action is taken herein to alter the time of designation of the Lawton control zone to coincide with the hours during which weather and communication services are provided.

Since the change effected by this amendment is less restrictive in nature than present requirements, notice and public procedures hereon are unnecessary and the rule may be made effective upon the date of publication in the **FEDERAL REGISTER**.

In consideration of the foregoing, Part 71 of the Federal Aviation Regulations is amended, effective upon the date of publication of this amendment in the **FEDERAL REGISTER**, as hereinafter set forth.

In § 71.171 (29 F.R. 17611), the Lawton, Okla., control zone is amended to add the following:

This control zone is effective from 0630 to 2230 hours, local time, daily.

(Sec. 307(a), Federal Aviation Act of 1958; 49 U.S.C. 1348)

Issued in Fort Worth, Tex., on May 24, 1965.

A. L. COULTER,
Acting Director, Southwest Region.

[P.R. Doc. 65-5680; Filed, June 1, 1965; 8:45 a.m.]

Title 17—COMMODITY AND SECURITIES EXCHANGES

Chapter II—Securities and Exchange Commission

[Release No. 34-7611]

PART 240—GENERAL RULES AND REGULATIONS, SECURITIES EXCHANGE ACT OF 1934

Capital Net Requirements for Brokers and Dealers

On January 15, 1965, in Securities Exchange Act Release No. 7507, and in the **FEDERAL REGISTER** of January 22, 1965, 30 F.R. 717, the Securities and Exchange Commission published its proposal to amend Rule 15c3-1 (17 CFR 240.15c3-1) under the Securities Exchange Act of 1934. This rule imposes specified financial responsibility requirements on brokers and dealers. The proposed amendments related to the imposition of minimum net capital requirements, the maintenance of reserves for customers' commodity accounts, modification of the exemptions available, and clarification and modification of other provisions, including the definition of "satisfactory subordination agreement." The Commission has considered the comments and suggestions received and has adopted the amendments in the form stated below.

A. Minimum net capital requirements. The amendment of paragraph (a) of the rule requires broker-dealers engaged in the general securities business to have and maintain a minimum net capital of \$5,000. This is in addition to the provision that a broker-dealer shall not permit his "aggregate indebtedness" to exceed 2,000 per centum of his "net capital" as these terms are defined in the rule. Paragraph (a) also provides, however, that the minimum net capital requirement shall be \$2,500 for a broker-dealer who does not hold customers' funds or securities and whose business is limited to the sale and redemption of redeemable shares of registered investment companies (mutual funds), the sale of securities for a customer to obtain funds for immediate reinvestment in mutual funds, and the solicitation of accounts for certain insured savings and loan associations. In this connection, the rule provides that such a broker-dealer transacting business as a sole proprietor may also effect occasional transactions in other securities for his own account with or through another registered broker-dealer. This additional provision is in-

tended to make it possible for a sole proprietor-broker-dealer to effect occasional transactions under the conditions stated without being required to maintain minimum net capital of more than \$2,500 if his activities are otherwise limited as provided in the proviso clause of subparagraph (a) (2) of the rule. Such a sole proprietor-broker-dealer should be aware, however, that all such transactions, whether the broker-dealer considers them to be part of his business or for his personal account, must be reflected in his books and records, and that securities so held will be treated for net capital purposes as otherwise provided in the rule.

The Report of the Special Study of Securities Markets recommended a minimum net capital requirement as an essential qualification for brokers and dealers entering the securities business, and the amendment of paragraph (a) of the rule implements this recommendation.¹ Among the reasons cited by the Study for the recommendation were the following: First, the securities business involves dealing with other people's funds, and no firm handling or having custody of customers' funds and securities should have such a small amount of its own resources in the business that customers' assets may, in fact, become the principal working capital of the firm. Second, the smooth and speedy functioning of market mechanisms requires members of the financial community to have confidence in each other's stability and responsibility, and this in turn requires each of such persons to have sufficient capital to have adequate personnel, resources and equipment so that each may rely upon the other's ability to do business responsibly. Third, if the liability to customers resulting from violations of state and federal law is to be a deterrent to improper conduct by broker-dealers they should not be judgment proof, but rather should have a substantial financial stake in their business. Finally, a fundamental consideration underlying all of the above reasons is that those entering the securities business should have such a sense of commitment and obligation to their business as to produce responsible, reliable operations.

The Study noted that while net capital ratio rules are desirable and necessary, the existing minimum capital and bonding requirements imposed by various exchanges and the States,² and the experience of the Commission, all point to the conclusion that these ratio rules are not sufficient in themselves. For example, the Study observed that a disproportionately large number of violations of Commission rules has occurred among broker-dealers with limited capital; that firms with low capital were involved in a high proportion of revocation proceedings and that firms with

¹ See Report of Special Study of Securities Markets, Pt. 1, pp. 83-93, 152-153, 160-162.

² Many States have imposed capital or bonding requirements on broker-dealers and adoption of a minimum capital requirement by the Commission would in no way supplant these requirements.

net capital smaller than \$5,000 may have a significantly higher chance of falling into net capital difficulties under the Commission's ratio rule than those with a greater amount.

B. *Reserve requirements for customers' commodity accounts.* Subparagraph (c) (2) of the rule, which defines the term "net capital", provides that it shall mean the net worth of a broker or dealer (that is, the excess of total assets over total liabilities) subject to certain adjustments provided for in subsequent clauses. A new subdivision (vi) has been added to provide that in computing net capital there shall be deducted from net worth an amount equal to 1½ percent of the market values of the total long or total short futures contracts in each commodity, whichever is greater, carried for all customers.

Prior to this amendment Rule 15c3-1 (17 CFR 240.15c3-1) provided that in computing "net capital" there should be deducted from net worth 30 percent of the market value of all long and all short future commodity contracts carried in the capital and proprietary accounts of the broker-dealer, but it did not contain special provisions to afford protection against the risks incurred by brokers who buy and sell commodity futures contracts for customers. As evidenced by the *Ira Haupt & Co.* case, there appear to be situations in which, either because of the nature of trading in commodities futures or the limited amount of margin required to be obtained from customers under the rules of various commodity exchanges, brokers who effect futures commodities transactions for customers may incur liabilities which create additional risks for the funds and securities of securities customers. The New York Stock Exchange and other national securities exchanges whose members handle the vast majority of commodities futures transactions have imposed, as a result of the insolvency of *Ira Haupt & Co.*, additional capital requirements on those members who conduct such a business. The new amendment of Rule 15c3-1 (17 CFR 240.15c3-1) will require broker-dealers not subject to such exchange rules to make appropriate adjustment in computing net capital if they carry future commodities contracts for customers.

C. *Subordinated debt and subordination agreements.* Subdivisions (c) (1) (ix) and (c) (2) (vii) of the rule contain provisions which have the effect of excluding from "aggregate indebtedness" and including as a part of "net capital" subordinated loans made to the broker-dealer pursuant to a "satisfactory subordination agreement" as that term is defined in subparagraph (c) (7) of the rule. The provisions of amended subparagraph (c) (7) make it clear that to be a "satisfactory subordination agreement" the loan must be for a period of not less than 1 year; that the subordination must continue until the loan is properly repaid; that the loan may not be repaid if the repayment would reduce the net capital of the broker or dealer below the amount required by the rule; and that the agreement may not be terminated, rescinded or modified by mutual consent or otherwise if the effect thereof would be to make it inconsistent with

the conditions of the rule or to reduce the net capital of the broker-dealer below the amount required by the rule.

In addition, in order to facilitate enforcement of these provisions, subparagraph (c) (7) also now provides that two copies of the subordination agreement, and of any notes or written instruments evidencing the indebtedness, must be filed, within 10 days after the agreement is entered into, with the Regional Office of the Commission for the region in which the broker or dealer maintains his principal place of business, together with a statement of the name and address of the lender, the business relationship of the lender to the broker or dealer, and information as to whether the broker or dealer carried funds or securities for the lender at or about the time the agreement was entered into. The rule would provide, however, that if each copy of the agreement is bound separately and marked "Non-Public", it will be maintained in a nonpublic file.

D. *Exemptions from the rule.* 1. Prior to the amendments, subparagraph (b) (1) of the rule exempted a broker whose securities business was limited to acting as agent for an issuer in soliciting subscriptions for securities of the issuer, who promptly transmitted all funds and promptly delivered all securities received in connection therewith, and who did not otherwise hold funds or securities for or owe money or securities to customers. As amended, this exemption will be more limited than it was before: it will be available only to a broker also licensed as an insurance agent, whose securities business is limited to selling variable annuity contracts as agent for the issuer, who promptly transmits all funds and delivers all variable annuity contracts, and who does not otherwise hold funds or securities for or owe money or securities to customers, and only if the issuer files with the Commission a satisfactory undertaking that it assumes responsibility for all valid claims arising out of the activities of the agent.

General agents who sell variable annuities, even though they are independent contractors, are generally subject to certain supervision and control by the issuer. Funds received by the general agent in connection with his distribution of variable annuities are generally required to be held by him as a fiduciary and must be immediately paid over to the issuer without deduction and without commingling with his own funds, and the agents are also generally forbidden from receiving funds even on behalf of the company at any time, except as the initial premium. In addition to all the above, the availability of the exemption is conditioned upon the issuer filing with the Commission a satisfactory undertaking that it will assume responsibility for all valid claims arising out of the activities of the agent, and this undertaking would afford variable annuities customers of a particular broker additional protection. As in the case of subparagraph (a) (2) of the rule, subparagraph (b) (1) would provide that the exemption would not be unavailable to a broker conducting this limited type of business as a sole proprietor simply because he effects occasional transactions

in other securities for his own account with or through another registered broker-dealer.

2. Subparagraph (b) (2) of the rule, which provides an exemption for members of specified exchanges, has been amended to make the exemption available only to members who are subject to specific capital requirements under the rules of the particular exchange, and only when they are members in good standing.

The Commission has reviewed the rules, settled practices and applicable regulatory procedures of the American, Boston, Midwest, New York, Pacific Coast, Philadelphia - Baltimore - Washington, and Pittsburgh Stock Exchanges and deems them to impose requirements more comprehensive than the provisions of Rule 15c3-1 (17 CFR 240.15c3-1). Consequently, subparagraph (b) (2) of the rule continues to provide an exemption for those members of each of such exchanges who are subject to specific capital requirements under the rules of the particular exchange while they remain members in good standing. A suspended member of any such exchange would immediately become subject to Rule 15c3-1 (17 CFR 240.15c3-1) and have to be in compliance therewith.

3. There is also a new subparagraph (b) (3) which provides that the Commission may, upon written application, exempt from Rule 15c3-1 (17 CFR 240.15c3-1), either unconditionally or on specified terms and conditions, a broker or dealer who satisfies the Commission that because of the special nature of his business, his financial position, and the safeguards he has established for the protection of customers' funds and securities, it is not necessary in the public interest or for the protection of investors to subject the particular broker or dealer to the provisions of the rule. It should be noted, however, that this exemptive provision will be strictly construed. It is not intended to afford an exemption to all persons who were exempt under the former provisions of subparagraph (b) (1), nor to any other class or category of brokers or dealers. Only those broker-dealers who have substantial net worth and who, because of the special nature of their business, have safeguards for the protection of customers' funds and securities, should apply for exemption from the provisions of the rule; and any application for exemption should contain detailed information of all material facts so that the matter may ordinarily be considered on the basis of the information contained in the application.

When the amendments become effective. The effectiveness of the amendment of paragraph (a) of the rule has been postponed until December 1, 1965, in order that broker-dealers who do not now have the required minimum net capital will have additional time to bring themselves into compliance with the rule. After the minimum net capital requirements have been in effect for a reasonable period the adequacy of such requirements will be given further study to determine whether it is necessary for the protection of investors to modify such requirements and if so, to what extent.

Appropriate notice will, of course, be given before any such action is taken, and brokers, dealers and other interested persons will again have an opportunity to comment before any further action is taken.

Because most broker-dealers exempted under the former provisions of subparagraph (b) (1) will have to comply with the rule, the amendment to subparagraph (b) (1) has not been made effective until September 1, 1965. This means that such broker-dealers will not be subject to any part of Rule 15c3-1 (17 CFR 240.15c3-1) until September 1, 1965; that between September 1 and December 1, 1965, they will be subject to the provisions of subparagraph (a) (1) of the rule, which provides that their aggregate indebtedness shall not exceed 2,000 per centum of their net capital; and that after December 1, 1965, they will be subject to all provisions of the rule, including the minimum net capital requirements of subparagraph (a) (2).

All other amendments of the rule become effective July 1, 1965.

Statutory basis. The Securities and Exchange Commission, acting pursuant to the provisions of the Securities Exchange Act of 1934, and particularly sections 15(c) (3) and 23(a) thereof, deeming such action necessary and appropriate in the public interest and for the protection of investors and necessary to provide safeguards with respect to the financial responsibility of brokers and dealers, and also deeming such action necessary for the execution of the functions vested in the Commission by the Act, hereby amends Rule 15c3-1 (17 CFR 240.15c3-1) as stated below, effective July 1, 1965: *Provided, however,* That the amendment of subparagraph (b) (1) shall not become effective until September 1, 1965, and the amendment of paragraph (a) shall not become effective until December 1, 1965.

The action of the Commission follows: Section 240.15c3-1 of Part 240, Chapter II of Title 17 of the Code of Federal Regulations is amended to read as follows:

§ 240.15c3-1 Net capital requirements for brokers and dealers.

(a) Every broker or dealer shall have the net capital necessary to comply with all the following conditions:

(1) His aggregate indebtedness to all other persons shall not exceed 2,000 per centum of his net capital; and

(2) He shall have and maintain net capital of not less than \$5,000; except that the minimum net capital to be maintained by a broker or dealer meeting all of the following conditions shall be \$2,500:

(i) His dealer transactions (as principal for his own account) are limited to the purchase, sale and redemption of redeemable shares of registered investment companies; except that a broker or dealer transacting business as a sole proprietor may also effect occasional transactions in other securities for his own account with or through another registered broker-dealer;

(ii) His transactions as broker (agent) are limited to: (a) the sale and redemption of redeemable securities of regis-

tered investment companies; (b) the solicitation of share accounts for savings and loan associations insured by an instrumentality of the United States; and (c) the sale of securities for the account of a customer to obtain funds for immediate reinvestment in redeemable securities of registered investment companies; and

(iii) He promptly transmits all funds and delivers all securities received in connection with his activities as a broker or dealer, and does not otherwise hold funds or securities for, or owe money or securities to, customers.

(b) **Exemptions:** (1) The provisions of this section shall not apply to any broker who is also a licensed insurance agent under the laws of any State or the District of Columbia, whose securities business is limited to effecting transactions in variable annuity contracts as general agent for the issuer, who promptly transmits all funds and delivers all variable annuity contracts received in connection therewith, and who does not otherwise hold funds or securities for or owe money or securities to customers, if the issuer files with the Commission an undertaking satisfactory to it that the issuer will assume responsibility for all valid claims arising out of all activities of such agent in effecting transactions in such variable annuity contracts: *Provided, however,* That a broker transacting business as a sole proprietor who meets all other conditions of this subparagraph (b) (1) may also effect occasional transactions in other securities for his own account with or through another registered broker-dealer.

(2) The provisions of this section shall not apply to any member in good standing and subject to the capital rules of the American Stock Exchange, the Boston Stock Exchange, the Midwest Stock Exchange, the New York Stock Exchange, the Pacific Coast Stock Exchange, the Philadelphia-Baltimore-Washington Stock Exchange, or the Pittsburgh Stock Exchange, whose rules, settled practices and applicable regulatory procedures are deemed by the Commission to impose requirements more comprehensive than the requirements of this section: *Provided, however,* That the exemption as to the members of any exchange may be suspended or withdrawn by the Commission at any time, by sending ten (10) days written notice to such exchange, if it appears to the Commission to be necessary or appropriate in the public interest or for the protection of investors so to do.

(3) The Commission may, upon written application, exempt from the provisions of this section, either unconditionally or on specified terms and conditions, any broker or dealer who satisfies the Commission that, because of the special nature of his business, his financial position, and the safeguards he has established for the protection of customers' funds and securities, it is not necessary in the public interest or for the protection of investors to subject the particular broker or dealer to the provisions of this section.

(c) **Definitions:** For the purpose of this section:

(1) The term "aggregate indebtedness" shall be deemed to mean the total money liabilities of a broker or dealer arising in connection with any transaction whatsoever, including, among other things: money borrowed; money payable against securities loaned and securities "failed to receive"; the market value of securities borrowed (except for delivery against customers' sales) to the extent to which no equivalent value is paid or credited; customers' free credit balances; credit balances in customers' accounts having short positions in securities; and equities in customers' commodities futures accounts; but excluding

(i) Indebtedness adequately collateralized, as hereinafter defined, by securities or spot commodities owned by the broker or dealer;

(ii) Indebtedness to other brokers or dealers adequately collateralized, as hereinafter defined, by securities or spot commodities owned by the broker or dealers;

(iii) Amounts payable against securities loaned which securities are owned by the broker or dealer;

(iv) Amounts payable against securities failed to receive which securities were purchased for the account of, and have not been sold by, the broker or dealer;

(v) Indebtedness adequately collateralized, as hereinafter defined, by exempted securities;

(vi) Amounts segregated in accordance with the Commodity Exchange Act and the rules and regulations thereunder;

(vii) Fixed liabilities adequately secured by real estate or any other asset which is not included in the computation of "net capital" under this section;

(viii) Liabilities on open contractual commitments; and

(ix) Indebtedness subordinated to the claims of general creditors pursuant to a satisfactory subordination agreement, as hereinafter defined.

(2) The term "net capital" shall be deemed to mean the net worth of a broker or dealer (that is, the excess of total assets over total liabilities), adjusted by

(i) Adding unrealized profits (or deducting unrealized losses) in the accounts of the broker or dealer and, if such broker or dealer is a partnership, adding equities (or deducting deficits) in accounts of partners, as hereinafter defined;

(ii) Deducting fixed assets and assets which cannot be readily converted into cash (less any indebtedness secured thereby) including, among other things, real estate; furniture and fixtures; exchange memberships; prepaid rent, insurance and expenses; good will; organization expenses; all unsecured advances and loans; customers' unsecured notes and accounts; and deficits in customers' accounts, except in bona fide cash accounts within the meaning of section 4(c) of Regulation T of the Board of Governors of the Federal Reserve System;

(iii) Deducting the percentages specified below of the market value of all securities, long and short (except ex-

empted securities) in the capital, proprietary and other accounts of the broker or dealer, including securities loaned to the broker or dealer pursuant to a satisfactory subordination agreement, as hereinafter defined, and if such broker or dealer is a partnership, in the accounts of partners, as hereinafter defined:

(a) In the case of nonconvertible debt securities having a fixed interest rate and a fixed maturity date which are not in default, if the market value is not more than 5 percent below the face value, the deduction shall be 5 percent of such market value; if the market value is more than 5 percent but not more than 30 percent below the face value, the deduction shall be a percentage of market value, equal to the percentage by which the market value is below the face value; and if the market value is 30 percent or more below the face value, such deduction shall be 30 percent;

(b) In the case of cumulative, nonconvertible preferred stock ranking prior to all other classes of stock of the same issuer, which is not in arrears as to dividends, the deduction shall be 20 percent;

(c) On all other securities, the deduction shall be 30 percent;

Provided, however, That such deduction need not be made in the case of (1) a security which is convertible into or exchangeable for other securities within a period of 30 days, subject to no conditions other than the payment of money, and the other securities into which such security is convertible, or for which it is exchangeable, are short in the accounts of such broker or dealer or partner, or (2) a security which has been called for redemption and which is redeemable within 90 days.

(iv) Deducting 30 percent of the market value of all "long" and all "short" future commodity contracts (other than those contracts representing spreads or straddles in the same commodity and those contracts offsetting or hedging any "spot" commodity positions) carried in the capital, proprietary or other accounts of the broker or dealer and, if such broker or dealer is a partnership, in the accounts of partners as hereinafter defined;

(v) Deducting, in the case of a broker or dealer who has open contractual commitments, the respective percentages specified in subdivision (iii) of this subparagraph of the value (which shall be the market value whenever there is a market) of each net long and each net short position contemplated by any existing contractual commitment in the capital, proprietary and other accounts of the broker or dealer and, if such broker or dealer is a partnership, in accounts of partners, as hereinafter defined: *Provided, however,* That this deduction shall not apply to exempted securities, and that the deduction with respect to any individual commitment

shall be reduced by the unrealized profit, in an amount not greater than the percentage deduction provided for in subdivision (iii) of this subparagraph (or increased by the unrealized loss) in such commitment; and that in no event shall an unrealized profit on any closed transactions operate to increase net capital;

(vi) Deducting an amount equal to $1\frac{1}{2}$ percent of the market values of the total long or total short futures contracts in each commodity, whichever is greater, carried for all customers;

(vii) Excluding liabilities of the broker or dealer which are subordinated to the claims of general creditors pursuant to a satisfactory subordination agreement, as hereinafter defined; and

(viii) Deducting, in the case of a broker or dealer who is a sole proprietor, the excess of (a) liabilities which have not been incurred in the course of business as a broker or dealer over (b) assets not used in the business.

(3) The term "exempted securities" shall mean those securities specifically defined as exempted securities in section 3(a) of the Act.

(4) The term "accounts of partners", where the broker or dealer is a partnership, shall mean accounts of partners who have agreed in writing that the equity in such accounts maintained with such partnership shall be included as partnership property.

(5) The term "contractual commitments" shall include underwriting, when-issued, when-distributed and delayed delivery contracts, endorsement of puts and calls, commitments in foreign currencies, and spot (cash) commodities contracts, but shall not include uncleared regular way purchases and sales of securities and contracts in commodities futures; a series of contracts of purchase or sale of the same security conditioned, if at all, only upon issuance may be treated as an individual commitment.

(6) Indebtedness shall be deemed to be "adequately collateralized" within the meaning of this section, when the difference between the amount of the indebtedness and the market value of the collateral is sufficient to make the loan acceptable as a fully secured loan to banks regularly making comparable loans to brokers or dealers in the community.

(7) The term "satisfactory subordination agreement" shall mean a written agreement duly executed by the broker or dealer and the lender, which agreement is binding and enforceable in accordance with its terms upon the lender, his creditors, heirs, executors, administrators, and assigns, and which agreement satisfies all of the following conditions:

(i) It effectively subordinates any right of the lender to demand or receive payment or return of the cash or securities loaned to the claims of all present and future creditors of the broker or dealer;

(ii) The cash or securities are loaned for a term of not less than one year;

(iii) It provides that the agreement shall not be subject to cancellation by either party, and that the loan shall not be repaid and the agreement shall not be terminated, rescinded or modified by mutual consent or otherwise if the effect thereof would be to make the agreement inconsistent with the conditions of this section or to reduce the net capital of the broker or dealer below the amount required by this section;

(iv) It provides that no default in the payment of interest or in the performance of any covenant or condition by the broker or dealer shall have the effect of accelerating the maturity of the indebtedness;

(v) It provides that any notes or other written instruments evidencing the indebtedness shall bear on their face an appropriate legend stating that such notes or instruments are issued subject to the provisions of a subordination agreement which shall be adequately referred to and incorporated by reference;

(vi) It provides that any securities or other property loaned to the broker or dealer pursuant to its provisions may be used and dealt with by the broker or dealer as part of his capital and shall be subject to the risks of the business; and

(vii) Two copies of such agreement, and of any notes or written instruments evidencing the indebtedness, are filed, within 10 days after such agreement is entered into, with the Regional Office of the Commission for the region in which the broker or dealer maintains his principal place of business, together with a statement of the full name and address of the lender, the business relationship of the lender to the broker or dealer, and whether the broker or dealer carried funds or securities for the lender at or about the time the agreement was entered into. If each copy of such agreement is bound separately and clearly marked "Non-Public" such agreements shall be maintained in a nonpublic file: *Provided, however,* That they shall be available, for official use, to any official or employee of the United States or any State; to any national securities exchange and any registered national securities association of which the broker or dealer filing such agreements is a member; and to any other person to whom the Commission authorizes disclosure in the public interest.

(8) The term "customer" shall mean every person except the broker or dealer: *Provided, however,* That partners who maintain "accounts of partners" as herein defined shall not be deemed to be customers insofar as such accounts are concerned.

(Secs. 15(c)(3), 23(a), 48 Stat. 895, 901, as amended; 15 U.S.C. 78c, 78w)

By the Commission.

[SEAL] ORVAL L. DuBOIS,
Secretary.

MAY 26, 1965.

[F.R. Doc. 65-5681; Filed, June 1, 1965; 8:45 a.m.]

Title 18—CONSERVATION OF POWER AND WATER RESOURCES

Chapter I—Federal Power Commission

SUBCHAPTER E—REGULATIONS UNDER THE NATURAL GAS ACT

[Docket No. R-275; Order 298]

PART 157—APPLICATIONS FOR CERTIFICATES OF PUBLIC CONVENIENCE AND NECESSITY AND FOR ORDERS PERMITTING AND APPROVING ABANDONMENT UNDER SECTION 7 OF THE NATURAL GAS ACT

Natural Gas Pipeline Companies; Budget Applications, Direct Sales

MAY 25, 1965.

Section 157.7(c)(1)(ii) of the regulations allows a pipeline company to request budget-type certificate authority to make direct sales of natural gas to consumers, located outside of local distributors' franchise areas, who will use the gas solely for certain specifically designated purposes. Recent applications under this section indicate that there are other purposes for which such relatively minor direct sales are made. There is no apparent reason why they, too, should not be permitted in a budget-type certificate, provided such sales are within the cost, time, volume, end-use and other limitations set out in the other portions of paragraph (c) of the section. We are, therefore, amending the rule to effect this change.

The Commission finds:

(1) The amendment adopted herein is necessary and appropriate for the purposes of the administration of the Natural Gas Act.

(2) Since this amendment imposes no new requirement on the persons affected thereby but, rather, relaxes existing requirements; and in view of the fact that the comments on the provision being amended herein (submitted by distributing companies during the proceeding in Docket No. R-254 which culminated in the rule now being amended) were not concerned with the purposes for which direct sales were made so long as their existing franchise was protected, it is unnecessary to comply with the notice, hearing, and effective date requirements of section 4 of the Administrative Procedure Act.

The Commission, acting pursuant to the authority granted by the Natural Gas Act, as amended, particularly sections 7 and 16 thereof (52 Stat. 825, 830; 56 Stat. 83; 15 U.S.C. 717f, 717o) orders:

(A) Effective upon the issuance of this order, subdivision (ii) of § 157.7(c)(1) of regulations under the Natural Gas Act, Subchapter E, Chapter I of Title 18 of the Code of Federal Regulations, is amended to read as follows:

§ 157.7 Abbreviated applications.

(c) Gas-sales or transportation facilities—budget-type application. . . .

(1)

(ii) Direct sales of natural gas to consumers located in areas outside the franchise area of any local distributor.

(Secs. 7, 16, 52 Stat. 825, 830, 56 Stat. 83; 15 U.S.C. 717f, 717o)

(B) The Secretary shall cause prompt publication of this order to be made in the FEDERAL REGISTER.

By the Commission.

[SEAL] JOSEPH H. GUTRIDE,
Secretary.

[F.R. Doc. 65-5685; Filed, June 1, 1965; 9:45 a.m.]

Title 21—FOOD AND DRUGS

Chapter I—Food and Drug Administration, Department of Health, Education, and Welfare

SUBCHAPTER B—FOOD AND FOOD PRODUCTS

PART 20—FROZEN DESSERTS

Order Postponing Effective Date of Certain Labeling Requirements in Standards of Identity for Ice Cream, Fruit Sherbet, and Water Ices

By order published December 22, 1964 (29 F.R. 18123), the standards of identity for ice cream, fruit sherbet, and water ices were amended to permit the use of additional optional ingredients and to modify the labeling requirements for these foods. The order set the effective date for these amendments at 180 days following publication (June 20, 1965).

No objections were filed to the substantive provisions of the amendments; however, the International Association of Ice Cream Manufacturers, several producers of frozen desserts, and others concerned with supplying carton to frozen-dessert producers submitted requests for extension of the effective date. None of these statements requested postponement of the amendments covering the use of additional optional ingredients. All the statements were concerned with the need for an extension of time for printing cartons to comply with the labeling requirements of the frozen dessert standards, as amended. Showings were made that if the labeling requirements should become effective June 20, 1965, this would result in substantial economic losses from cartons rendered obsolete. Showings were also made that the number that will be required exceeds the capacity of the carton manufacturers to supply by June 20, 1965. Another factor that has been taken into account in considering the requests for postponement of the effective date for the labeling requirements is the petition filed by the International Association of Ice Cream Manufacturers. This petition proposes that amendments be made in the labeling requirements for ice cream as set out in § 20.1(g).

It is concluded that reasonable grounds have been furnished to support the issuance of an order extending the effective date for the labeling requirements for frozen desserts until December 31, 1965.

Accordingly, pursuant to the authority provided in the Federal Food, Drug, and Cosmetic Act (secs. 401, 701, 52 Stat. 1046, 1055, as amended; 21 U.S.C. 341, 371) and delegated to the Commissioner of Food and Drugs by the Secretary of Health, Education, and Welfare (21 CFR 2.90): *It is ordered*, That the effective date be and hereby is postponed for the labeling requirements set out in paragraph (g) of the standard for ice cream (§ 20.1), in paragraph (g) of the standard for fruit sherbet (§ 20.4), and in paragraph (f) of the standard for water ices (§ 20.5). These paragraphs of the regulations shall become effective December 31, 1965.

(Secs. 401, 701, 52 Stat. 1046, 1055, as amended; 21 U.S.C. 341, 371)

Dated: May 25, 1965.

GEO. P. LARRICK,
Commissioner of Food and Drugs.

[F.R. Doc. 65-5720; Filed, June 1, 1965; 8:48 a.m.]

PART 120—TOLERANCES AND EXEMPTIONS FROM TOLERANCES FOR PESTICIDE CHEMICALS IN OR ON RAW AGRICULTURAL COMMODITIES

PART 121—FOOD ADDITIVES

Subpart C—Food Additives Permitted in Animal Feed and Drinking Water of Animals or for the Treatment of Food-Producing Animals

TOLERANCES FOR RESIDUES OF INORGANIC BROMIDES (CALCULATED AS BR) FROM SOIL TREATMENT WITH 1,2-DIBROMO-3-CHLOROPROPANE

1. A petition (PP 4F0417) was filed with Food and Drug Administration by Shell Chemical Co., Division of Shell Oil Co., 110 West Fifty-first Street, New York 20, N.Y., and Dow Chemical Co., Midland, Mich., requesting an increase from 5 parts per million to 20 parts per million in the established tolerance for residues of inorganic bromides (calculated as Br) in or on citrus fruits resulting from soil treatment with the nematocide 1,2-bromo-3-chloropropane.

The Secretary of Agriculture has certified that this pesticide chemical is useful for the purpose for which a tolerance is being established.

After consideration of the data submitted in the petition and other relevant material which show that the tolerance established in this order will protect the public health, and by virtue of the authority vested in the Secretary of Health, Education, and Welfare by the Federal Food, Drug, and Cosmetic Act (sec. 408 (d)(2), 68 Stat. 512 as amended; 21 U.S.C. 346a(d)(2)) and delegated to the Commissioner of Food and Drugs by the Secretary (21 CFR 2.90), the regulations for tolerances for pesticide chemicals in or on raw agricultural commodities (21 CFR 120.197) are amended by deleting "citrus" from the item "5 parts per million . . ." and inserting after the item "25 parts per million" a new item reading "20 parts per million in or on citrus fruits." As amended, the affected portions of the section read as follows:

§ 120.197 Inorganic bromides resulting from soil treatment with 1,2-dibromo-3-chloropropane; tolerances for residues.

20 parts per million in or on citrus fruits.

5 parts per million in or on apricots, nectarines, peaches.

(Sec. 408(d)(2); 68 Stat. 512 as amended; 21 U.S.C. 346a(d)(2))

2. The Commissioner of Food and Drugs, having evaluated the data submitted in a petition (FAP 4H1400) filed jointly by Shell Chemical Co., Division of Shell Oil Co., 110 West Fifty-first Street, New York 20, N.Y., and Dow Chemical Co., Midland, Mich., and other relevant material, has concluded that the following regulation should issue in conformance with section 409 of the Federal Food, Drug, and Cosmetic Act with respect to residues of the nematocide 1,2-dibromo-3-chloropropane in or on dehydrated citrus pulp for cattle feed. Such residues have been shown to occur from application of the pesticide chemical to the growing agricultural crop under pesticidal uses provided for by a concurrent regulation under section 408 of the act. Therefore, pursuant to the provisions of the act (sec. 409(c)(4), 72 Stat. 1786; 21 U.S.C. 348(c)(4)), and under the authority delegated to the Commissioner by the Secretary of Health, Education, and Welfare (21 CFR 2.90), the food additive regulations are amended by the addition to Subpart C of a new section, as follows:

§ 121.270 Inorganic bromides.

A tolerance of 90 parts per million is established for residues of inorganic bromide (calculated as Br) in or on dehydrated citrus pulp for cattle feed resulting from carryover and concentration of residues in this feed item, when present therein as a result of soil treatment with the nematocide 1,2-dibromo-3-chloropropane in the production of citrus fruits.

(Sec. 409(c)(4), 72 Stat. 1786; 21 U.S.C. 348(c)(4))

Any person who will be adversely affected by the foregoing order may at any time within 30 days from the date of its publication in the FEDERAL REGISTER file with the Hearing Clerk, Department of Health, Education, and Welfare, Room 5440, 330 Independence Avenue SW., Washington, D.C., 20201, written objections thereto, preferably in quintuplicate. Objections shall show wherein the person filing will be adversely affected by the order and specify with particularity the provisions of the order deemed objectionable and the grounds for the objections. If a hearing is requested, the objections must state the issues for the hearing. A hearing will be granted if the objections are supported by grounds legally sufficient to justify the relief sought. Objections may be accompanied by a memorandum or brief in support thereof.

Effective date. This order shall be effective on the date of its publication in the FEDERAL REGISTER.

(Secs. 408, 409, 68 Stat. 512 as amended; 72 Stat. 1786; 21 U.S.C. 346a, 348)

Dated: May 25, 1965.

GEO. P. LARRICK,
Commissioner of Food and Drugs.

[F.R. Doc. 65-5721; Filed, June 1, 1965; 8:48 a.m.]

Title 26—INTERNAL REVENUE

Chapter I—Internal Revenue Service, Department of the Treasury

SUBCHAPTER A—INCOME TAX

[T.D. 6825]

PART 1—INCOME TAX; TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 1953

Gain Attributable to Amortization Deduction

On January 8, 1965, notice of proposed rule making, with respect to the amendment of the Income Tax Regulations (26 CFR Part 1) under section 1238 of the Internal Revenue Code of 1954 and the provision that rules similar to those in such regulations are to be followed in the case of taxable years to which Regulations 111 and 118 (26 CFR (1939) Parts 29 and 39) apply, was published in the FEDERAL REGISTER (30 F.R. 91). After consideration of all such relevant matter as was presented by interested persons regarding the rules proposed, the amendments of the regulations as proposed are hereby adopted.

[SEAL] SHELDON S. COHEN,
Commissioner of Internal Revenue.

Approved: May 24, 1965.

STANLEY S. SURREY,
Assistant Secretary of the
Treasury.

In order to correct examples contained in the Income Tax Regulations (26 CFR Part 1) under section 1238 of the Internal Revenue Code of 1954, relating to amortization in excess of depreciation, so that they conform to the longstanding principles which are stated in Revenue Ruling 62-92, C.B. 1962-1, 29, and illustrated by the decision in *Bertrand W. Cohn, et al. v. United States*, 259 F.2d 371 (6th Cir. 1958) and in order to provide that rules similar to those in such regulations are to be followed in the case of taxable years to which Regulations 111 and 118 (26 CFR (1939) Parts 29 and 39) apply, such regulations are amended as follows:

PARAGRAPH 1. Examples (1) and (2) of paragraph (a) of § 1.1238-1 are amended to read as follows:

§ 1.1238-1 Amortization in excess of depreciation.

(a) In general. * * *

Example (1). On December 31, 1954, a taxpayer making his income tax returns on a calendar year basis acquires at a cost of \$20,000 an emergency facility (used in his business) 50 percent of the adjusted basis of which has been certified under section 168(e). The facility would normally have a useful life of 20 years and a salvage value of \$2,000 allocable equally between the certified and uncertified portions. Under section 168 the taxpayer elects to begin the 60-month amortization period on January 1, 1955. He takes amortization deductions with respect to the certified portion in the amount of \$4,000 for the years 1955 and 1956 (24 months). On December 31, 1956, he sells the facility for a price of \$19,000 which is allocable equally between the certified and uncertified portions. The adjusted basis of the certified portion on that date is \$6,000 (\$10,000 cost, less \$4,000 amortization). With respect to the uncertified portion, the straight line method of depreciation is used and a deduction for depreciation in the amount of \$450 is claimed and allowed for the year 1955. The adjusted basis of the uncertified portion on January 1, 1956, is \$9,550 (\$10,000 cost, less \$450 depreciation). The depreciation allowance for the uncertified portion for the year 1956 would be limited to \$50, the amount by which the adjusted basis of such portion at the beginning of the year exceeded its aliquot portion of the sales price. Thus, on December 31, 1956, the adjusted basis of the uncertified portion would be \$9,500. Without regard to section 168, and using the rate and method the taxpayer properly applied to the uncertified portion of the facility, the adjusted basis of the certified portion on December 31, 1956, would be \$9,500, computed in the same manner as the adjusted basis of the uncertified portion. The difference between the facility's actual adjusted basis (\$15,500) and its adjusted basis determined without regard to section 168 (\$19,000), is \$3,500. Accordingly, the entire \$3,500 gain on the sale of the facility (\$19,000 sale price, less \$15,500 adjusted basis) is treated as ordinary income.

Example (2). Assume that the entire facility in example (1) had been certified under section 168(e) and that, therefore, the adjusted basis of the facility on December 31, 1956, is \$12,000. Assume further that the taxpayer adopts straight line depreciation as a proper method of depreciation for determining the adjusted basis of the facility without regard to section 168. Thus, the adjusted basis, without regard to section 168, would be \$19,000. This amount is \$7,000 more than the \$12,000 adjusted basis under section 168. Hence, the entire \$7,000 gain on the sale of the facility (\$19,000 sale price less \$12,000 adjusted basis) is treated as ordinary income.

PAR. 2. The amendments of examples (1) and (2) of paragraph (a) of § 1.1238-1 of the Income Tax Regulations, covering taxable years beginning after December 31, 1953, and ending after August 16, 1954, as set forth in paragraph 1 of this Treasury decision, are hereby made applicable to the taxable years covered by Regulations 111 and 118 (26 CFR (1939) Parts 29 and 39).

(Sec. 7805 of the Internal Revenue Code of 1954; 68A Stat. 917; 26 U.S.C. 7805, and sec. 3791 of the Internal Revenue Code of 1939; 53 Stat. 467; 26 U.S.C. (1952 ed.) 3791)

[F.R. Doc. 65-5648; Filed, June 1, 1965; 8:45 a.m.]

Title 50—WILDLIFE AND FISHERIES

Chapter I—Bureau of Sport Fisheries and Wildlife, Fish and Wildlife Service, Department of the Interior

PART 33—SPORT FISHING

Union Slough National Wildlife Refuge, Iowa

The following special regulation is issued and is effective on date of publication in the FEDERAL REGISTER.

§ 33.5 Special regulations; sport fishing; for individual wildlife refuge area.

IOWA

UNION SLOUGH NATIONAL WILDLIFE REFUGE

Sport fishing on the Union Slough National Wildlife Refuge, Iowa, is permitted only on the area designated by signs as open to fishing. This open area is delineated on a map available at refuge headquarters and from the office of the Regional Director, Bureau of Sport Fisheries and Wildlife, 1006 West Lake Street, Minneapolis, Minn., 55408. Sport fishing shall be in accordance with all applicable State regulations subject to the following special condition:

(1) The open season for sport fishing on the refuge extends from May 29, 1965, through September 30, 1965, during daylight hours only.

(2) The use of boats is not permitted.

(3) The use of minnows or fish, or parts thereof, for bait is not permitted.

The provisions of this special regulation supplement the regulations which govern fishing on wildlife refuge areas generally which are set forth in Title 50, Part 33, and are effective through September 30, 1965.

Dated: May 24, 1965.

URBAN C. NELSON,
Acting Regional Director, Bureau of Sport Fisheries and Wildlife.

[F.R. Doc. 65-5691; Filed, June 1, 1965; 8:46 a.m.]

PART 33—SPORT FISHING

Modoc National Wildlife Refuge, California

The following special regulation is issued and is effective on date of publication in the FEDERAL REGISTER.

§ 33.5 Special regulations; sport fishing; for individual wildlife refuge areas.

CALIFORNIA

MODOC NATIONAL WILDLIFE REFUGE

Sport fishing on the Modoc National Wildlife Refuge, Calif., is permitted only on the area designated by signs as open to fishing. This open area, comprising 600 acres, is delineated on maps available at the refuge headquarters and from the office of the Regional Director, Bureau of Sport Fisheries and Wildlife, 1002 Northeast Holladay Street, Port-

land, Oreg., 97208. Sport fishing shall be in accordance with all applicable State regulations, subject to the following special conditions:

(1) Sport fishing will be permitted the entire year except closed during migratory waterfowl hunting season.

(2) The use of boats, with or without motors, may be used for fishing.

The provisions of this special regulation supplement the regulations which govern fishing on wildlife refuge areas generally, which are set forth in Title 50, Code of Federal Regulations, Part 33, and are effective to March 1, 1966.

PAUL T. QUICK,
Regional Director, Bureau of Sport Fisheries and Wildlife.

MAY 20, 1965.

[F.R. Doc. 65-5708; Filed, June 1, 1965; 8:47 a.m.]

Chapter II—Bureau of Commercial Fisheries, Fish and Wildlife Service, Department of the Interior

SUBCHAPTER C—PROCESSED FISHERY PRODUCTS, PROCESSED PRODUCTS THEREOF, AND CERTAIN OTHER PROCESSED FOOD PRODUCTS

PART 260—INSPECTION AND CERTIFICATION

PART 266—UNITED STATES STANDARDS FOR GRADES OF FROZEN RAW BREADED FISH PORTIONS

Miscellaneous Amendments

Notice is hereby given that pursuant to the authority vested in the Secretary of the Interior by sections 203 and 205 of Title II of the Agricultural Marketing Act of 1946, as amended, and of the authority transferred to the Department of the Interior by section 6(a) of the Fish and Wildlife Act of 1956, as amended, it is proposed to adopt amendments to Part 260—Inspection and Certification, and Part 266—U.S. Standards for Grades of Frozen Raw Breaded Fish Portions as set forth below. The features of these amendments are to delete the words sirup, sirup density, and viner refuse, where they appear in Part 260; to add the letters "U.S." to an approved inspection mark illustrated as Figure 5 in Part 260; and to substitute the words "uniformly shaped" for the word "rectangular-shaped" in Part 266.

Inasmuch as these amendments involve minor technical changes in Title 50, notice and public procedure thereon have been deemed unnecessary and the amendments shall become effective upon publication in the FEDERAL REGISTER.

In Part 260—Inspection and Certification:

1. In § 260.6, item (b) (1) of *Inspection service* is amended to read as follows:

§ 260.6 Terms defined.

Inspection service. . . .

(b) . . .

(1) Essential characteristics such as style, type, size, or identity of any processed product which differentiates between major groups of the same kind;

2. Section 260.23 is amended to read as follows:

§ 260.23 Postponing inspection service.

If the inspector determines that it is not possible to accurately ascertain the quality or condition of a processed product immediately after processing because the product has not reached equilibrium in color, or drained weight, or for any other substantial reason, he may postpone inspection service for such period as may be necessary.

3. In § 260.86, paragraph (b), figure 5 is amended as set forth below:

§ 260.86 Approved identification.

(b) *Inspection marks.* . . .



Statement enclosed within a shield.

FIGURE 5.

4. Section 260.98(b) is amended to read as follows:

§ 260.98 Premises.

(b) Litter, waste, and refuse (e.g. garbage, offal, and damaged containers) within the immediate vicinity of the plant, buildings, or structures;

5. Section 260.99(g) is amended to read as set forth below:

§ 260.99 Buildings and structures.

(g) Every practical precaution shall be taken to exclude dogs, cats, and vermin (including, but not being limited to, rodents and insects) from the rooms from which processed products are being prepared or handled and from any rooms from which ingredients (including, but not being limited to salt, sugar, spices, flour, and fishery products) are handled or stored. Screens, or other devices, adequate to prevent the passage of insects shall, where practical, be provided for all outside doors and openings. The use of poisonous cleaning agents, insecticides, bactericides, or rodent poisons shall not be permitted except under such precautions and restrictions as will prevent any possibility of their contamination of the processed product.

In Part 266—United States Standards For Grades of Frozen Raw Breaded Fish Portions:

Section 266.1 is amended to read as follows:

§ 266.1 Description of the product.

Frozen raw breaded portions are clean, wholesome, uniformly shaped, unglazed

masses of cohering pieces (not ground) of fish flesh coated with breading. The portions are cut from frozen fish blocks; are coated with a suitable, wholesome batter and breading; and are packaged and frozen in accordance with good commercial practice. They are maintained at temperatures necessary for the preservation of the product. Frozen raw breaded fish portions weigh more than 1½ ounces, and are at least ⅜-inch thick. Frozen raw breaded fish portions contain not less than 75 percent, by weight, of fish flesh. All portions in an individual package are prepared from the flesh of one species of fish.

These regulations shall become effective upon publication in the FEDERAL REGISTER.

(Sec. 6, 70 Stat. 1122; 16 U.S.C. 742e; secs. 203, 205, 60 Stat. 1067, 1090, as amended; 7 U.S.C. 1622, 1624)

JOHN A. CARVER, Jr.,
Under Secretary
of the Interior.

MAY 26, 1965.

[F.R. Doc. 65-5692; Filed, June 1, 1965;
8:46 a.m.]

Proposed Rule Making

DEPARTMENT OF AGRICULTURE

Consumer and Marketing Service

[7 CFR Part 916]

HANDLING OF NECTARINES GROWN IN CALIFORNIA

Proposed Size Limitation for Specified Varieties

Consideration is being given to the proposal submitted by the Nectarine Administrative Committee, established under the marketing agreement and Order No. 916, regulating the handling of nectarines grown in California issued under the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601-674), that the sizes of the Early Le Grand, Grand Prize, Granderli, Royal Grand, Freedom, Grandeur, Le Grand, Late Le Grand, Golden Grand, Gold King, Red Grand, Marigold, September Grand or Regal Grand varieties of nectarines be limited as follows:

(1) During the period beginning at 12:01 a.m., P.s.t., June 27, 1965, and ending at 12:01 a.m., P.s.t., November 1, 1965, no handler shall handle any package or container of Early Le Grand, Grand Prize, Granderli, Royal Grand, Freedom, Grandeur, Le Grand, Late Le Grand, Golden Grand, Gold King, Red Grand, Marigold, September Grand, or Regal Grand nectarines unless:

(i) Such nectarines, when packed in a No. 26 standard lug box, or in a No. 27 standard lug box, are of a size that will pack, in accordance with the requirements of a standard pack, not more than 88 nectarines in the respective lug box; or

(ii) Such nectarines, when packed in any container other than in a No. 26 standard lug box, or in a No. 27 standard lug box, measure not less than two and one-quarter (2¼) inches in diameter: *Provided*, That not to exceed ten (10) percent, by count, of the nectarines in any such container may fail to meet such diameter requirement.

(2) When used herein, "diameter" and "standard pack" shall have the same meaning as set forth in the U.S. Standards for Nectarines (7 CFR 51.3145-51.3159): "No. 26 standard lug box" and "No. 27 standard lug box," respectively, shall have the same meaning as set forth in § 828.4 of the Agricultural Code of California, and all other terms shall have the same meaning as when used in the marketing agreement and order.

All persons who desire to submit written data, views, or arguments in connection with the aforesaid proposal should file same in quadruplicate with the Hearing Clerk, U.S. Department of Agriculture, Room 112, Administration Building, Washington, D.C. 20250, not later than the 10th day after publication of this notice in the *FEDERAL REGISTER*. All written submissions made pursuant to

this notice will be made available for public inspection at the office of the Hearing Clerk during regular business hours (7 CFR 1.27(b)).

Dated: May 26, 1965.

PAUL A. NICHOLSON,
Deputy Director, Fruit and Vegetable Division, Consumer and Marketing Service.

[P.R. Doc. 65-5695; Filed, June 1, 1965; 8:46 a.m.]

[7 CFR Part 1133]

[Docket No. AO-275-A11]

MILK IN INLAND EMPIRE MARKETING AREA

Notice of Recommended Decision and Opportunity To File Written Exceptions on Proposed Amendments to Tentative Marketing Agreement and Order

Pursuant to the provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601 et seq.), and the applicable rules of practice and procedure governing the formulation of marketing agreements and marketing orders (7 CFR Part 900), notice is hereby given of the filing with the Hearing Clerk of this recommended decision with respect to proposed amendments to the tentative marketing agreement and order regulating the handling of milk in the Inland Empire marketing area. Interested parties may file written exceptions to this decision with the Hearing Clerk, U.S. Department of Agriculture, Washington, D.C., 20250, by the 7th day after publication of this decision in the *FEDERAL REGISTER*. The exceptions should be filed in quadruplicate. All written submissions made pursuant to this notice will be made available for public inspection at the office of the Hearing Clerk during regular business hours (7 CFR 1.27(b)).

Preliminary statement. The hearing on the record of which the proposed amendments, as hereinafter set forth, to the tentative marketing agreement and to the order as amended, were formulated, was conducted at Spokane, Wash., on April 14, 1965, pursuant to notice thereof which was issued March 15, 1965 (30 F.R. 3606).

The material issues on the record of the hearing relate to:

1. Marketing area;
2. Diversion of producer milk;
3. Accounting for receipts of other source milk; and
4. Class I price supply-demand adjuster.

Findings and conclusions. The following findings and conclusions on the material issues are based on evidence presented at the hearing and the record thereof:

1. **Marketing area.** The villages of Juliaetta and Kendrick in Latah County, Idaho, should continue to be included in the Inland Empire marketing area.

These villages are located about 4 miles apart in the very southern-most portion of the defined marketing area. Their combined population at the time of the 1960 U.S. census was 811. Fluid milk products are distributed in the two villages by the operator of a partially-regulated distributing plant and by two fully regulated handlers.

The operator of the partially-regulated distributing plant proposed that Juliaetta and Kendrick be deleted from the defined marketing area. The adoption of this proposal was desired so that the handler no longer would be required to make what were described by a witness as "penalty payments" to the producer-settlement fund with respect to the in-area fluid milk sales in these villages. It was contended that by eliminating such payments the farmers supplying the handler with milk would be relieved of the burden of these payments which they themselves had mutually agreed to bear.

Proponent's Class I sales in the marketing area are not sufficient to cause his plant to be fully regulated under the order. As a "fringe area" handler, however, he is subject to regulation with respect to those fluid milk sales which he makes in the marketing area. The decision of the Assistant Secretary issued June 19, 1964 (29 F.R. 9214), concerning proposed amendments to this order sets forth in considerable detail the need and basis for the pricing of fluid milk distributed in the marketing area from a plant not regulated under the order. Such amendments became effective August 1, 1964 (29 F.R. 10990).

Proponent has three options with respect to his obligations under the order on his in-area sales. He may elect to pay to the producer-settlement fund any amount by which the classified use value of his total milk receipts exceeds his actual payments to dairy farmers. Under this option, it is necessary for the handler to submit to the market administrator sufficient information concerning his processing and distribution operations so that his obligation may be computed as though the plant were a pool plant. This option, often referred to by the industry as the "Wichita option", is advantageous to an unregulated handler who pays his farmers the equivalent of the order class prices. Under a second option, proponent may elect to pay to the producer-settlement fund the difference between the order Class I price and weighted average price of all producer milk in the market, each applicable at the location of the handler's plant, with respect to each hundred-weight of Class I milk he distributes within the marketing area. If he desires not to obligate himself for this type of pool payment, he may, under the third

option, offset his in-area sales by purchasing Class I milk from pool plants or plants regulated under other orders.

Proponent has been meeting his order obligation on his in-area sales by paying to the producer-settlement fund the difference between the order Class I price and weighted average price of all producer milk. The handler's payments to the farmers supplying him milk are sufficiently high, however, that if he were to elect the Wichita option his obligation under the order would be limited merely to administrative assessments. The handler is aware of the opportunity to reduce his pool obligations by use of the Wichita option.

The order provides proponent with a means through which relief from the obligations of which there is complaint may be obtained. There is no indication that the conditions under which it was found appropriate to include these villages in the marketing area have changed in a manner which warrants changing the marketing area boundaries for proponent's purpose. Accordingly, the proposal is denied.

2. Diversion of producer milk. The present diversion provisions should be changed to allow limited diversions of producer milk to nonpool plants in all months of the year. Such limits should be based on a certain percentage of the combined deliveries of milk by producers to all pool plants, including eligible diversions. The order should provide also that two or more cooperative associations may have their allowable diversions computed on the basis of the combined deliveries of milk by their producer members.

Presently, producer milk may not be diverted to a nonpool plant during any of the months of July through November. In the other months of the year, producer milk may be diverted without limit to a nonpool plant by either a cooperative association or a proprietary handler. However, a producer whose milk is so diverted must have delivered milk to a pool plant during some portion of the immediately preceding period of July through November.

A cooperative association proposed that diversion of producer milk to nonpool plants be allowed during any month but on a limited basis. In the case of a cooperative association, diversions would be limited to 25 percent in each of the months of December through August, and 15 percent in each of the other months, of the total producer milk received at all pool plants during the month from the association's members. Similar limitations would be applicable in the case of a proprietary handler except that the limits would relate to milk of producers who are not members of a cooperative association. Under the proposal, diversions in excess of such percentages would not be producer milk and the diverting handler would specify the dairy farmers whose milk is ineligible as such. In addition, milk of a producer must be delivered to a pool distributing plant on at least three days during the month if any of his milk is diverted during the months of September through November. The association further pro-

posed that two or more cooperative associations be allowed to compute their allowable diversions on a combined basis. The proposal was supported by the other cooperative association in the market.

The proposal as published in the hearing notice was modified at the hearing by proponent in two respects. In its original form the proposal would have priced diverted milk at the location of the plant to which it was diverted rather than at the location of the plant from which diverted as the order now provides. Also, the proposal would have excluded from producer status a farmer whose milk was diverted to a nonpool plant where it would be classified and priced under another Federal order. Proponent abandoned both provisions. Inasmuch as these provisions were not supported by proponent or other persons, they are not considered herein.

Diversion provisions similar to those proposed and supported at the hearing should be adopted. The present order provisions concerning the diversion of producer milk to nonpool plants do not facilitate the orderly and economical disposal of milk which is in excess of the fluid needs of the market. The problems of handling excessive producer milk supplies have been such that in 1962 and 1963 it was necessary to suspend for the months of July and August the order provision which prohibits any diversion of producer milk in those months. Similar suspension action was again necessary in 1964, but in this case for the months of July through November. Thus, in 1964 unlimited diversion was, in effect, allowed throughout the entire year.

Annual receipts of producer milk in the market have increased steadily since 1961 without a corresponding increase in the Class I utilization of such milk. Between 1961 and 1964 producer receipts increased 13.9 percent while producer milk in Class I increased only 6.5 percent. For the period of July through November, when diversion of producer milk to nonpool plants is not allowed, producer receipts increased 18.8 percent between 1961 and 1964. The use of producer milk in Class I in this 5-month period increased only 4.2 percent.

It has been necessary to channel the increasing supplies of milk in excess of the fluid needs of the market into manufactured products. Plants pooled under the Inland Empire order have only limited manufacturing facilities. Consequently, such milk must be moved to nonpool plants where the milk can be handled. During those months when diversions are not allowed, however, extra plant handling and transportation is required in disposing of the milk. Such milk must be moved first from the farm to a pool plant and then be transferred to a nonpool plant where it can be manufactured. This arrangement for handling excess milk is uneconomical.

In view of the increased milk supplies, particularly during the fall months, and the limited manufacturing facilities at pool plants, it is therefore appropriate to provide under the order that milk may be diverted to nonpool plants during any month of the year. Accordingly,

the order should provide that a cooperative association may divert to a nonpool plant during each of the months of September through November up to 15 percent of the total milk of its producer members. For each of the remaining months of December through August the diversion limitation should be 25 percent. The operator of a pool plant should have the same diversion privileges as a cooperative association. The diversion limitation in this case, though, should apply to the percentage of milk received (or diverted) from producers who are not members of a cooperative association exercising its diversion privilege.

While allowing diversions in all months is desirable, it is necessary that limits be applied. This will assure that producer milk which is being pooled is associated with the fluid market. The absence of diversion limitations for all months of the year would encourage the procurement of additional milk for manufacturing use without regard for the fluid requirements of the market.

The level of the percentage limits stated above will accommodate the amount of milk which the proponent association must divert. The association assumes the responsibility of handling and disposing of its member milk which is in excess of the fluid needs of the market. During the months of seasonally high production, this burden becomes greater as handlers being supplied in part by the association rely to a greater extent, or even entirely, on milk from nonmembers for their fluid requirements. In 1964, the association diverted to nonpool plants 16.8 percent of its total member milk. In July of that year the association diverted 23.6 percent of its member milk to a nonpool plant.

The higher percentage limit for the months of December through August relative to the limit for the remaining months recognizes the seasonally greater production of milk and the consequent need for diverting a larger proportion of the total producer milk supply. The present order provisions already reflect this in that no diversion limits exist for the December through June period. Evidence indicates that the months of July and August should be included in the period for which more liberal diversion limits are provided. In 1964, both cooperative associations in the market diverted more member milk during these 2 months than during any of the remaining months of the year.

The diversion provisions proposed herein will provide handlers with the opportunity to reduce the hauling distances now involved in moving excess milk to nonpool plants during the fall months. The manufacturing plants to which surplus milk is normally moved are located at Moses Lake, Wash., and Sandpoint, Idaho. In 1964, milk was moved also to a more distant plant at Ellensburg, Wash., because of the inability of the Moses Lake plant to handle a sufficient amount of the surplus milk. All three plants are located a considerable distance from the pool plants at which producer milk is normally received for processing and packaging. Such pool plants are located

in either the Spokane, Wash., area or in Coeur d'Alene, Idaho. Under the method of computing diversion limits on the basis of the combined deliveries of producers, handlers may take advantage of the relative location of producers' farms and the plants to which milk must be moved. The milk of producers whose farms are located near pool plants may be moved on a regular basis to such plants while milk of more-distant producers may be moved to the more-distant nonpool plants.

One cooperative association moves regularly to the Moses Lake plant on an every-other-day basis about 50,000 pounds of producer milk from farms located in the vicinity of Pullman, Wash., and Moscow, and Cottonwood, Idaho. The other cooperative association has farm bulk tank pick-up routes in the Bonners Ferry and Sandpoint, Idaho, areas and diverts this producer milk to the Sandpoint manufacturing plant. In these situations, it is not practical to require the milk to be moved first to pool plants and then to the distant nonpool plants for manufacturing. More than 50 miles of hauling may be saved, for example, in the direct movement of milk from farms to the Moses Lake plant. Even greater transportation savings are possible with respect to milk diverted to Sandpoint.

Evidence indicates that member milk of a cooperative association is commingled with nonmember milk when moved by a plant operator from certain farms to his plant. The order should provide, therefore, that the operator of a pool plant may divert the milk of producer members of a cooperative association which is commingled on a tank truck at the time of delivery from the farm with milk of nonmembers who are shipping to the handler's plant. Under this arrangement the member milk involved should be included with the handler's nonmember milk in determining the handler's diversion limits. The total amount of the cooperative association's member milk on which the association's diversion limits are based should be reduced by the amount of member milk involved. The plant operator and the association should notify the market administrator of an agreement to such an arrangement. With such a provision, plant operators will not be limited in maximizing the benefits of the diversion allowances.

Two or more cooperative associations should be allowed to have the amount of their allowable diversions computed on the basis of the combined deliveries of milk by their member producers. This arrangement should not be effective unless each association involved has filed such a request with the market administrator, however. Under this provision cooperative associations would be provided the opportunity to mutually arrange the handling of excess milk in a manner which could minimize the cost of moving producer milk to nonpool manufacturing plants.

As indicated previously, some limit on diversions is necessary to assure that a producer whose milk is diverted has demonstrated a reasonable association

with the Class I market. A limitation computed on a percentage basis, however, could result in a producer's milk never being received at a pool plant. The order therefore should require minimum deliveries of his milk to pool plants. If any of his milk is diverted during the months of September, October, or November, milk of the producer should be delivered to a pool plant on at least 6 days (3 days in the case of every-other-day delivery) during the month. A producer who begins supplying the market any time during the period of December through August should be required to have his milk received at a pool plant on at least 1 day before any of his milk is diverted to a nonpool plant.

It is necessary that the order provide for the treatment of milk which is diverted in excess of the limits proposed herein. Such milk should not be considered as producer milk. The diverting handler should be required to specify the producers whose milk is to be considered ineligible as such. In the absence of any designation, producer milk status should be forfeited with respect to all milk diverted by the handler. When excessive diversions occur under the circumstance where two cooperative associations are computing their allowable diversions on a combined basis, the association whose diversions have exceeded the limits when computed on an individual association basis should be the handler accountable for designating the excessive diversions.

3. *Accounting for receipts of other source milk.* The manner in which nonfluid milk products utilized by a handler are now accounted for under the order should be modified.

The order now provides that a handler must report as a receipt of other source milk all nonfluid milk products obtained from any source (including those processed at his plant) which are reprocessed or converted to another product in the plant during the month. This would be the case regardless of the classification of the product in which such receipts are used. All receipts and utilization of nonfluid milk products are required to be reported on a skim milk equivalent basis. A handler is not accountable under the order for any disappearance of nonfluid milk products not so reprocessed.

A cooperative association which operates a pool plant proposed that nonfluid milk products which are used to produce a Class II or Class III product not be included in a handler's report of receipts and utilization. The association proposed, however, that receipts of nonfluid milk products which a handler cannot account for as having been utilized be included in his receipts of other source milk to be accounted for under the order. Under the proposal a reasonable shrinkage allowance would be provided. The association further proposed that a handler be required to submit a monthly reconciliation of all nonfluid milk products handled at his plant during the month.

The witness for the proponent association contended that adoption of the proposal would simplify the compilation

and auditing of handlers' monthly reports of receipts and utilization which are submitted to the market administrator. It was further contended that market statistics would reflect more realistically the receipts and utilization of milk if those nonfluid milk products which are used to produce manufactured products were not required to be reported and accounted for on a skim milk equivalent basis.

The order should be changed so that handlers would not be required to include in their reports of receipts and utilization nonfluid milk products which are used to produce Class II and Class III products. Handlers should report, however, any disappearance of nonfluid milk products not otherwise accounted for. Such products would be reported and accounted for on a skim milk equivalent basis.

Handlers presently are required to differentiate on their monthly reports of utilization the manufactured milk products in which nonfluid milk products, such as nonfat dry milk and condensed skim milk, are used. Nonfluid milk products used to produce manufactured milk products are classified as Class III milk regardless of the classification of the resulting manufactured product. Under the Inland Empire order, most of the manufactured products in which nonfluid milk products are used are those for which utilization of fluid milk products is classified as Class II milk. It is thus necessary that the skim milk and butterfat used to produce ice cream, ice cream mix, frozen desserts, cocoa mixes and cottage, pot and bakers' cheeses be distinguished between that in fluid milk products and that in nonfluid milk products, since classification of milk in these uses is determined on the basis of source.

The principal advantage of skim milk equivalent accounting is that all receipts are thereby accounted for on a common basis, which facilitates assignment of receipts from various sources to the total classified use of a handler's plant or plants. Under the Inland Empire order, however, nonfluid milk products used in the production of other manufactured products are classified in the class (Class III) to which they are first assigned in the allocation sequence. Therefore, accounting for such products as other source milk on a skim milk equivalent basis merely results in an offset in the same class between identical quantities reported as used to produce and reported as a receipt of other source milk. If both items are omitted from the report, returns to producers will in no way be affected.

It is concluded that the other source milk definition with respect to nonfluid milk products reprocessed or converted to another product in the plant during the month should be restricted to those reprocessed in connection with or converted to a fluid milk product. As a conforming change the classification provision (§ 1133.41(c)(7)) for Class III classification of nonfluid milk products used to produce certain designated manufactured products is eliminated.

To assure that the effectiveness of the classification and pricing of producer

milk is not weakened, the amount of any disappearance of such products, for which utilization or disposition cannot be established by the records handlers are now required to keep, should be included in handlers' receipts of other source milk. No special shrinkage allowance with respect to the disappearance of nonfluid milk products should be provided. No need for such an allowance was established on the record.

4. *Class I price supply-demand adjuster.* The standard utilization percentages, or "norms", which are used in computing the supply-demand adjustment of the Class I price should be revised to reflect a different seasonal pattern.

The present order contains a formula for automatically adjusting the Class I price as supply and demand conditions in the market change in relation to a predetermined "normal" market situation. Under this formula a current "Class I utilization percentage", indicating the relationship of producer supplies to Class I milk sales during the second and third months preceding the month for which the Class I price is being determined, is computed. This ratio is then compared with the standard considered as normal for the corresponding months of the year. The norm for each month is expressed as a range of 4-percentage points. This range allows minor aberrations in the supply-sales relationship without an adjustment of the Class I price.

The order provides that the monetary rate of adjustment for each percentage point of deviation of the current Class I utilization percentage from the norm shall be 1 cent per hundredweight. The amount of total adjustment is increased if deviations from the norms of like direction and of equal or lesser amounts were computed for one or both of the preceding 2 months. Under this arrangement the amount of monetary adjustment for variations in the supply-demand relationship from the standards adopted are nominal when such variations first appear. The adjustment increases progressively, however, as a variation of like direction and amount persists.

A cooperative association proposed that the range of the percentage norms now set forth in the order be widened so that there may be a greater fluctuation than at present in the supply-sales relationship without any adjustment in the Class I price. Under the proposal, the seasonal variation of the percentage norms also would be changed. The association further proposed that the monetary adjustment per percentage point of deviation of the supply-sales relationship from the norms be reduced to one-half of the present rate. The witness for the association contended that the present supply-demand adjuster is too "sensitive". It was contended that because of the relatively small volumes of Class I milk and producer supplies in this market, minor changes in either of these quantities can result in undue adjustments of the Class I price.

The standard utilization percentages should be revised only for the purpose of changing their seasonal variation. The attached proposed order reflects the

new percentage norms which should be used in computing supply-demand adjustments. While the seasonal variation of the norms is changed, the annual relationship of producer receipts used in Class I milk is maintained at 73 percent, the level presently reflected in the order. No change should be made in the present one-cent rate of monetary adjustment per point of deviation. The change in the percentage norms proposed herein should not change the annual level of the Class I price.

The percentage norms in the order should reflect the seasonal variation in the market of the relationship of producer milk supplies to Class I sales. The norms set forth in the attached proposed order are based on the supply-sales relationship experienced in this market since February 1962. Data indicate that the seasonal variation of the norms for the pricing months of March, April, May, June, and December should reflect a somewhat higher level of producer milk used in Class I than is presently reflected. The percentage norms for the pricing months of July through November, on the other hand, should be lowered.

Revision of the seasonal variation of the norms in this manner will cause any adjustments of the Class I price to be based on a more realistic measurement of the deviation of the current supply-sales relationship from the pattern recently prevailing in the market. The Class I price thus will reflect more accurately the relative need for producer milk to meet the fluid milk requirements of the market.

Evidence does not indicate that widening the range of the norms to seven percentage points and decreasing by one-half the rate of adjustment per point of deviation, as proponent suggests, is warranted. The purpose of the supply-demand adjuster is to reflect automatically in the Class I price significant changes in the relationship of producer supplies to Class I sales. The modification proponent suggests would lessen considerably the responsive and timely measurement of such changes. Other than some failure to reflect accurately seasonal changes in utilization, adjustments of the Class I price have been appropriate to conditions in the market.

In support of the proposal, the association's witness described the depressing effect upon the Class I price of the influx of additional milk from new producers with relatively large herds. Such milk supplies newly added to the market cannot be considered in this case, however, as a temporary change in the total milk supply for the market. The change in the supply situation should be reflected in the Class I price to the extent the change is a deviation from the "normal" supply-demand relationship.

Any change in the supply-demand adjustment mechanism which would result in increasing the level of the Class I price is not appropriate under the present circumstance of increasing producer milk supplies in this market relative to Class I sales as described earlier herein. Proponent's suggested modifications would have increased the Class I price about 3.5 cents per hundredweight had

they been in effect during a recent 3-year period. Such a price increase would encourage the production of additional supplies of milk not presently needed for fluid use.

Rulings on proposed findings and conclusions. Briefs and proposed findings and conclusions were filed on behalf of certain interested parties. These briefs, proposed findings and conclusions and the evidence in the record were considered in making the findings and conclusions set forth above. To the extent that the suggested findings and conclusions filed by interested parties are inconsistent with the findings and conclusions set forth herein, the requests to make such findings or reach such conclusions are denied for the reasons previously stated in this decision.

General findings. The findings and determinations hereinafter set forth are supplementary and in addition to the findings and determinations previously made in connection with the issuance of the aforesaid order and of the previously issued amendments thereto; and all of said previous findings and determinations are hereby ratified and affirmed, except insofar as such findings and determinations may be in conflict with the findings and determinations set forth herein.

(a) The tentative marketing agreement and the order, as hereby proposed to be amended, and all of the terms and conditions thereof, will tend to effectuate the declared policy of the Act;

(b) The parity prices of milk as determined pursuant to section 2 of the Act are not reasonable in view of the price of feeds, available supplies of feeds, and other economic conditions which affect market supply and demand for milk in the marketing area, and the minimum prices specified in the proposed marketing agreement and the order, as hereby proposed to be amended, are such prices as will reflect the aforesaid factors, insure a sufficient quantity of pure and wholesome milk, and be in the public interest; and

(c) The tentative marketing agreement and the order, as hereby proposed to be amended, will regulate the handling of milk in the same manner as, and will be applicable only to persons in the respective classes of industrial and commercial activity specified in, a marketing agreement upon which a hearing has been held.

Recommended marketing agreement and order amending the order. The following order amending the order as amended regulating the handling of milk in the Inland Empire marketing area is recommended as the detailed and appropriate means by which the foregoing conclusions may be carried out. The recommended marketing agreement is not included in this decision because the regulatory provisions thereof would be the same as those contained in the order, as hereby proposed to be amended:

1. In § 1133.12, paragraph (c) is revised to read as follows:

§ 1133.12 Producer milk.

(c) With respect to diversions to non-pool plants:

(1) A cooperative association may divert for its account, pursuant to paragraph (b) (1) of this section, the milk of any member producer eligible for diversion. The total quantity of milk so diverted, however, may not exceed 15 percent in the months of September, October, and November, or 25 percent in other months, of its total member milk received at all pool plants and diverted therefrom during the month. Two or more cooperative associations may have their allowable diversions computed on the basis of the combined deliveries of milk by their member producers if each association has filed in writing with the market administrator a request for such computation;

(2) A handler operating a pool plant may divert for his account, pursuant to paragraph (a) (2) of this section, milk of any producer eligible for diversion, other than a member of a cooperative association which diverts milk pursuant to subparagraph (1) of this paragraph. The total quantity of milk so diverted, however, may not exceed 15 percent in the months of September, October, and November, or 25 percent in other months, of the milk received at and diverted from such pool plant during the month from producers who are not members of a cooperative association which diverts milk pursuant to subparagraph (1) of this paragraph;

(3) The operator of a pool plant may divert the milk of any producer member of a cooperative association which is commingled on a tank truck at the time of delivery from the farm with milk of nonmember producers if the association and the plant operator each has filed in writing with the market administrator prior to any such diversion an agreement to such an arrangement designating the producer(s) involved. In such case, the total quantity of milk deliveries on which the diversion limits for the association are based shall be reduced by the total deliveries and diversions of member producers whose milk is diverted by the plant operator and the diversion limits for the plant operator shall be increased by a like amount;

(4) Milk diverted in excess of the limits specified shall not be considered as producer milk, and the diverting handler shall specify the producers whose milk is ineligible as producer milk. If a handler fails to designate such producers, producer milk status shall be forfeited with respect to all milk diverted by the handler;

(5) Producers eligible for diversion are those whose milk has been received at the pool plant prior to diversion from such plant (but not necessarily in the current month). Producers eligible for diversion in the months of September, October, or November must in addition have their milk received at a pool plant on at least 6 days (3 days in the case of every-other-day delivery) during the current month; and

(6) For the purpose of location adjustments pursuant to §§ 1133.53 and 1133.81, diverted milk shall be considered to have been received at the location of the plant from which diverted.

2. In § 1133.13, paragraph (b) is revised to read as follows:

§ 1133.13 Other source milk.

(b) Products, other than fluid milk products, from any source (including those processed at the plant) which are reprocessed in connection with, or converted to, a fluid milk product in the plant during the month, and any disappearance during the month of nonfluid milk products not otherwise accounted for.

3. In § 1133.15(c), subparagraph (1) is revised to read as follows:

§ 1133.15 Handler.

(c) * * *

(1) From a pool plant to a nonpool plant; and

§ 1133.41 [Amended]

4. In § 1133.41(c), subparagraph (7) is revoked.

§ 1133.44 [Amended]

5. In § 1133.44(a), the reference "paragraph (d)" is revised to read "paragraph (b)".

6. In § 1133.51(d), the table at the end of subparagraph (4) is revised to read as follows:

§ 1133.51 Class prices.

Month for which price applies	Months used in computation	Standard utilization percentage	
		Minimum	Maximum
January.....	October-November.....	79	82
February.....	November-December.....	76	79
March.....	December-January.....	74	77
April.....	January-February.....	75	78
May.....	February-March.....	74	77
June.....	March-April.....	72	75
July.....	April-May.....	67	70
August.....	May-June.....	62	65
September.....	June-July.....	62	65
October.....	July-August.....	67	70
November.....	August-September.....	72	75
December.....	September-October.....	78	81

§ 1133.82 [Amended]

7. In § 1133.82, the reference "§ 1133.80 (a)" is revised to read "§ 1133.80(b)".

§ 1133.87 [Amended]

8. In § 1133.87, the reference "§ 1133.80 (a)" wherever it appears is revised to read "§ 1133.80(b)".

§ 1133.88 [Amended]

9. In § 1133.88, the reference "§ 1133.44 (d)" is revised to read "§ 1133.44(b)".

Signed at Washington, D.C., on May 26, 1965.

CLARENCE H. GIRARD,
Deputy Administrator,
Regulatory Programs.

[P.R. Doc. 65-5696; Filed, June 1, 1965; 8:47 a.m.]

[7 CFR Part 1138]

[Docket No. AO-335-A4]

MILK IN RIO GRANDE VALLEY
MARKETING AREA

Notice of Recommended Decision and
Opportunity To File Written Excep-
tions on Proposed Amendments to
Tentative Marketing Agreement
and to Order

Pursuant to the provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601 et seq.), and the applicable rules of practice and procedure governing the formulation of marketing agreements and marketing orders (7 CFR Part 900), notice is hereby given of the filing with the Hearing Clerk of this recommended decision with respect to proposed amendments to the tentative marketing agreement and order regulating the handling of milk in the Rio Grande Valley marketing area. Interested parties may file written exceptions to this decision with the Hearing Clerk, U.S. Department of Agriculture, Washington, D.C., 20250, by the 10th day after publication of this decision in the FEDERAL REGISTER. The exceptions should be filed in quadruplicate. All written submissions made pursuant to this notice will be made available for public inspection at the office of the Hearing Clerk during regular business hours (7 CFR 1.27(b)).

Preliminary statement. The hearing, on the record of which the proposed amendments, as hereinafter set forth, to the tentative marketing agreement and to the order, as amended were formulated, was conducted at Albuquerque, N. Mex., on March 31 and April 1, 1965, pursuant to notice thereof which was issued March 18, 1965 (30 F.R. 3781).

The material issues on the record of the hearing relate to:

1. Pricing of diverted milk;
2. A cooperative association as a handler of milk delivered in farm bulk tanks to pool plants;
3. The Class I price and location differentials;
4. A fall incentive or "Louisville" plan of payments to producers;
5. Payments to producers on a base and excess plan; and
6. Miscellaneous and conforming changes.

This decision is concerned with issues No. 3 through No. 6. Issues No. 1 and No. 2 were dealt with in an earlier decision. No evidence was received pertaining to proposals in the hearing notice to revise the producer butterfat differentials and modify the method of classifying inventory. Therefore, no further action on these matters will be taken.

Findings and conclusions. The following findings and conclusions pertaining to issues No. 3 through No. 6 are based on evidence presented at the hearing and the record thereof.

3. *The Class I price and location differentials.* The seasonal Class I price differentials in the Rio Grande Valley order through February 1967 should be

at the rate of \$2.25 during the months of July through February and \$1.95 during the months of March through June. Three pricing zones should be provided within the marketing area. The Class I differentials stated above would be applicable in Zone I which includes 20 New Mexico counties and El Paso County, Tex., in which the cities of Albuquerque, Alamogordo, Las Cruces, Santa Fe, and El Paso are located. The Class I differentials in each of the remaining zones should be 15 cents less than those for Zone I. The Class I price should be adjusted during this period by a supply-demand adjuster equal to the simple average of the supply-demand adjustments effective for the same month under the orders for the Wichita, Oklahoma Metropolitan, North Texas, Central Arizona, Great Basin, and Eastern Colorado marketing areas. The Class I milk price should be reduced 15 cents at pool plants located outside the marketing area more than 100 miles from the nearest of the county courthouses in Bernalillo and Santa Fe Counties, N. Mex., and El Paso, Tex. The present rate of 1 cent for each 10 miles, or fraction thereof, beyond 110 miles should be retained.

The Class I differentials above the basic formula price are currently \$2.35 for the months of July through February and \$2.05 March through June at Albuquerque and Santa Fe and 10 cents higher at El Paso, Tex. The Class I milk price at a plant located more than 100 miles from each of the county courthouses in Albuquerque and Santa Fe, N. Mex., or El Paso, Tex., is reduced 15 cents, plus 1 cent for each 10 miles, or fraction thereof, that such plant is more than 110 miles from the nearest of the respective courthouses. Location differentials are computed from Albuquerque or Santa Fe, N. Mex., except that if the resulting Class I milk price is greater, location adjustments are computed from El Paso. The Class I price at present is further adjusted by the simple average of the supply-demand adjustments effective for the same month in the North Texas, Oklahoma Metropolitan and Wichita milk orders.

Testimony was received on several proposals affecting the Class I milk price and location adjustments to handlers and producers. Proposals with respect to the Class I milk price were (1) to extend the present pricing scheme indefinitely; (2) provide a uniform monthly differential of \$2.25 above the basic formula price; (3) increase the price at El Paso by 22 cents per hundredweight; and (4) further adjust the Class I milk price by using the simple average of supply-demand adjustments in six markets (Lubbock-Plainview, Texas Panhandle, and Central Arizona in addition to the three markets now used). Proposals affecting location adjustments provided for eliminating all minus adjustments to the east and south of Albuquerque or merely to review present adjustments to handlers and producers at each pool plant location to determine their continued feasibility.

Producer milk classified as Class I (including inventory reclassified) approximated 264 million pounds of milk during

1963 and was about 265 million pounds in 1964. Total receipts from all producers were 310 million pounds in 1963 and 320 million pounds in 1964. Producers located in the marketing area produced from 85 to 90 percent of this milk while producers located outside the marketing area in the States of Arizona, Colorado, Kansas, and Utah produced from 10 to 15 percent of the producer milk supply for the Rio Grande Valley market. (Official notice is taken of the June 1964 issue of the Market Administrator Bulletin showing producer milk production by area.)

Receipts of other source fluid milk were about 36 million pounds each year during 1963-1964. Approximately 31 million pounds of this other source milk was allocated to Class I milk. The total amount of milk diverted or transferred to nonpool plants for surplus disposal also was 31 million pounds each year.

On the basis of the facts found hereafter, it is concluded that prices at pool plants within the Rio Grande Valley marketing area should be determined by pricing zones rather than by mileages from central points as presently provided. Zone I should include 20 New Mexico counties and El Paso County, Tex., in which are located the principal cities of Albuquerque, Santa Fe, and El Paso. Zone II should include San Juan County, N. Mex., and the three Colorado counties in the marketing area. Zone III should include the seven New Mexico counties of Chaves, Curry, De Baca, Eddy, Lea, Quay, and Roosevelt. While identical price treatment is provided herein for Zones II and III, these zones are separated by Zone I; Zone II lies northwest of Zone I while Zone III lies east of Zone I.

The population of Zone I is approximately 1 million. The principal centers of population are Santa Fe, Albuquerque, Alamogordo, Las Cruces, and El Paso. Consumers in Zone I are served by 12 handlers, 5 of which are located in El Paso, 4 in Albuquerque and 1 each in Alamogordo, Las Cruces, and Santa Fe. The Class I price at these plants is presently 10 cents per hundredweight higher than at plants located in Albuquerque and Santa Fe. It is at pool plants located in Zone I that milk directly from farms located outside the marketing area in the States of Arizona, Colorado, Kansas, and Utah has been received. The milk from Colorado farms was no longer being received at pool plants at the time of the hearing. Bulk milk from Waterloo, Iowa, 1,250 miles distance from El Paso, Tex., is received regularly at a pool plant in El Paso. It is at pool plants in this zone where almost all of the 31 million pounds of other source fluid milk is received and from which 21 million pounds of producer milk were diverted or transferred long distances to nonpool plants.

The population of Zone II is about 90 thousand. Pool plants are located at Aztec and Farmington, N. Mex., and Durango, Colo., from 180 to 220 miles northwest of Albuquerque and Santa Fe. From these three plants approximately five million pounds of milk were diverted and/or transferred to nonpool plants.

Packaged fluid milk products from a plant regulated under the Great Basin Federal milk order are distributed in this zone. Location differentials at these plants now range from 23 to 26 cents per hundredweight.

Zone III has a population of 226 thousand with the principal centers located at Artesia, Carlsbad, Clovis, Hobbs, Lovington, Portales, Roswell, and Tucumcari, N. Mex. There are four pool plants located in this zone. Location adjustments at these pool plants are presently a minus 15 cents at Roswell, 22 cents at Tucumcari and 26 cents at the two plants in Clovis. These plants are located 170 to 200 miles from Albuquerque and Santa Fe. The two plants in Clovis are 300 miles and the plant in Roswell is 200 miles from El Paso. It is approximately 100 miles from Clovis to plants regulated by other Federal milk orders in Amarillo and Lubbock, Tex. Packaged fluid milk products move extensively in and out of Zone III. A pool distributing plant in Santa Fe (Zone I) maintains distribution points in Hobbs and Roswell.

A new pool distributing plant was established at Clovis in May 1963 from which fluid milk products are now distributed in Albuquerque, N. Mex., and El Paso, Tex., in Zone I. Distribution also is made from this plant in Amarillo, Lubbock, and as far east as Midland, Tex. Handlers located in Amarillo and Lubbock also distribute fluid milk products in Zone III. Dairy farmers located in Roosevelt County, N. Mex., directly south of Clovis, are a source of supply for plants regulated by this order as well as for plants regulated by the Texas Panhandle and Lubbock-Plainview Federal milk orders. Approximately the same amount of milk as in Zone II, five million pounds, has been moved from plants located in Zone III to nonpool plants, although the total volume of milk produced in Zone III is three times that in Zone II.

Since the establishment in May 1963 of a new distributing plant at Clovis, N. Mex., very little, if any, milk from farms in Roosevelt County has been shipped to pool plants in El Paso. This record also discloses that the pool plant located at Roswell does not move either in bulk or packaged form into El Paso but does have route disposition throughout most of Zone III. The plant at Roswell is now associated both from the standpoint of supply and sales area with other plants in Zone III. It is for this reason that Chaves County, in which the city of Roswell is located, is included as a part of Zone III.

Thus, even though local production of milk was only about 90 percent of the Class I sales of the market in 1964, more than 10 percent of locally produced milk was moved to distant manufacturing plants while producer milk and other source milk from distant points were being received in the market. It is at the principal population centers of Albuquerque, Santa Fe, and El Paso (Zone I) that nearby production is least adequate for Class I needs, but these are also the areas from which more than two-thirds of diversions for manufacturing use oc-

cur and at which nearly all the distant supplies are received for fluid use. It is obvious that these are extensive uneconomic movements of milk with respect to the supply of the Rio Grande Valley market.

While the record does not establish the fact that the uneconomic movements of milk are a direct result of improper Class I pricing, it is important under present circumstances that order pricing be such as not to price locally produced milk out of the Class I market, thus causing its uneconomic movement to manufacturing while more distant supplies are acquired by handlers in replacement. Since such movements have been associated with the supply for Zone I plants, it is in the pricing for this area that price reductions are indicated.

A decrease of 10 cents per hundredweight in the Class I price at plants located in Albuquerque, Santa Fe, and Roswell and 20 cents at plants located at Alamogordo, Las Cruces, and El Paso, with only minor changes in Class I prices at plant locations in Zones II and III, will provide an alignment of prices at various plants both within and outside the marketing area which should be conducive to the maximum use of local supplies of milk for Class I use. With these price adjustments, it is possible that the utilization of producer milk in Class I can be increased to a level that will provide returns to producers at the uniform prices producers have been receiving during the past 2 years. Producer returns would then be increased by savings in the excessive transportation costs now incurred with respect to their milk.

There are no significant changes in the Class I prices for plants located in Zones II and III, except for that already noted for Roswell. The annual average Class I differential for the four pool plants in these two zones is \$1.99. As provided herein, the average annual Class I differential for all plants located in Zones II and III would be \$2.00. The alignment of prices with nearby Federal orders makes it necessary to maintain about the present price level for plants in Zones II and III. Class I and blend prices at Clovis, N. Mex., are in close alignment with the Class I and blend prices under the Texas Panhandle order. While some greater variations are shown in comparison with Class I and blend prices under the Lubbock-Plainview order, prices at Clovis, N. Mex., are presently in reasonable alignment with such prices.

Seasonal pricing should be retained. Substantial supplies of milk are received at pool plants from two different sources with seasonal price variations amounting to 45 cents per hundredweight, as compared to 30 cents in this market. In order that local milk may be competitive the Class I price should continue to be adjusted downward during the four months of March through June. Moreover, it is provided that another look should be taken at the level of the Class I price, as well as seasonal and supply-demand adjustments, sometime before March 1, 1967. This period of time should provide sufficient basic data by late 1966 for a hearing to determine any

necessary adjustments to the price to be effective March 1, 1967.

The Class I price should continue to be adjusted by the supply-demand adjustments in the Wichita, Kansas, North Texas, and Oklahoma Metropolitan milk orders. These three markets continue either directly or indirectly to influence both the supply of milk and the competitive sales conditions in the Rio Grande Valley market. It is appropriate, however, to include, in addition, the supply-demand adjustments of the Great Basin, Eastern Colorado, and Central Arizona milk orders. Milk produced in the supply areas of each of these markets has recently been received as producer milk under the Rio Grande Valley order. Also, packaged fluid milk products priced under the Great Basin order are distributed in the Rio Grande Valley marketing area. Producer price changes in these markets affect the availability of supplies for the Rio Grande Valley market. It is expected that the influence of the simple average of the supply-demand adjustments in these six markets will tend to level out any large adjustment that might occur in any one market and thus provide a reasonable but effective adjustment to the Class I price for this market. On the basis of adjustments effective for the past 2 years, future supply-demand adjustments to the Class I price in the Rio Grande Valley market should be somewhat more appropriate. The proposal to use supply-demand adjustments of the Texas Panhandle and Lubbock-Plainview orders is not practical because the Panhandle order does not have a supply-demand factor and such adjustment of the Lubbock-Plainview price is already considered in this order through use of the North Texas order adjustment.

Conditions that so far have prevailed in the Rio Grande Valley market have been such that local supply-demand relationships have not provided a sufficiently accurate basis for adjustment of future prices. For that reason, the Rio Grande Valley price should continue to be adjusted on the basis of price adjustments in other markets which influence the availability of supplies of milk and competitive sales conditions in the Rio Grande Valley market.

Location differentials applying to plants located outside the marketing area and more than 100 miles from the nearest of the county courthouses in Bernalillo and Santa Fe Counties, N. Mex., and El Paso, Tex., should be 15 cents per hundredweight. The present rate of 1 cent for every 10 miles, or fraction thereof, beyond 110 miles should be retained. This rate represents the approximate cost of hauling milk over long distances. On the basis of the facts previously stated, the proposals to eliminate all minus location differentials to the east and south of Albuquerque and Santa Fe and to increase the Class I price at El Paso by 22 cents per hundredweight are denied.

Location adjustments to producers for milk received at pool plants located in Zones II and III or at pool plants located outside the marketing area and more

than 110 miles from the three basing points of Albuquerque, Santa Fe, and El Paso should be at the same rate as those provided for handlers.

4. A fall incentive or "Louisville" plan of payments to producers. A fall incentive (or "Louisville") plan of payment to producers should not be adopted at this time.

A handler who proposed that the Class I differential of the order should be the same in all months of the year also proposed that under this system payments to producers be varied seasonally by a fall incentive payment plan. The uniform price to producers would be reduced 20 cents per hundredweight March through June. This money would be withheld and the funds thus accumulated would be distributed to producers in the uniform prices for the months of September through December.

Producer groups generally opposed the adoption of such a payment plan for producers and requested that if consideration should be given to the adoption of such a proposal that it should be deferred until at least March 1, 1966.

Since it has already been concluded in this decision under the findings with respect to Class I prices that seasonal pricing should be maintained, it is concluded that a "take-out" and "pay-back" plan for paying producers is not necessary to provide additional seasonality of returns to producers at this time.

5. Payments to producers on a base and excess plan. A system of paying producers on a base and excess plan should not be adopted.

A proposal for use of a base-excess plan was made by one cooperative association. Support for the proposal was offered by another association on condition that satisfactory arrangements could be negotiated with respect to matters not connected with the plan.

Due to substantial changes in producer members and the groups of producers supplying the market, it is impossible to determine the extent to which seasonal variation in production per farm has affected market supplies of milk. Evidence was presented to show that a group of producers, representative of those who had supplied the market continuously since 1962, had varied seasonal patterns of production. These data, however, may not be representative of all producers now supplying the market. Neither were the data extensive enough to determine the provisions appropriate for a base-excess plan for this market.

Further consideration of a base-excess plan should be deferred until more complete data concerning seasonal patterns of production are available and producer acceptance of such a plan is more clear-cut.

Rulings on proposed findings and conclusions. Briefs and proposed findings and conclusions were filed on behalf of certain interested parties. These briefs, proposed findings and conclusions and the evidence in the record were considered in making the findings and conclusions set forth above. To the extent that the suggested findings and conclusions filed by interested parties are inconsistent with the findings and conclusions set

forth herein, the requests to make such findings or reach such conclusions are denied for the reasons previously stated in this decision.

General findings. The findings and determinations hereinafter set forth are supplementary and in addition to the findings and determinations previously made in connection with the issuance of the aforesaid order and of the previously issued amendments thereto; and all of said previous findings and determinations are hereby ratified and affirmed, except insofar as such findings and determinations may be in conflict with the findings and determinations set forth herein.

(a) The tentative marketing agreement and the order, as hereby proposed to be amended, and all of the terms and conditions thereof, will tend to effectuate the declared policy of the Act;

(b) The parity prices of milk as determined pursuant to section 2 of the Act are not reasonable in view of the price of feeds, available supplies of feeds, and other economic conditions which affect market supply and demand for milk in the marketing area, and the minimum prices specified in the proposed marketing agreement and the order, as hereby proposed to be amended, are such prices as will reflect the aforesaid factors, insure a sufficient quantity of pure and wholesome milk, and be in the public interest; and

(c) The tentative marketing agreement and the order, as hereby proposed to be amended, will regulate the handling of milk in the same manner as, and will be applicable only to persons in the respective classes of industrial and commercial activity specified in, a marketing agreement upon which a hearing has been held.

Recommended marketing agreement and order amending the order. The following order amending the order as amended regulating the handling of milk in the Rio Grande Valley marketing area is recommended as the detailed and appropriate means by which the foregoing conclusions may be carried out. The recommended marketing agreement is not included in this decision because the regulatory provisions thereof would be the same as those contained in the order, as hereby proposed to be amended:

1. In § 1138.51, paragraph (a) is revised to read as follows:

§ 1138.51 Class prices.

(a) **Class I milk.** During the period from the effective date of this order until March 1, 1967, the price for Class I milk at plants located in Zone I (comprising all the counties in the marketing area except those specified in § 1138.52 as comprising Zones II and III) shall be the basic formula price for the preceding month plus \$2.25 during each of the months July through February and plus \$1.95 during each of the months March through June. This price shall be increased or decreased by a supply-demand adjustment equal to the simple average of the supply-demand adjustments effective for the same month pursuant to the provisions of the Wichita, Kans.

(Part 1073 of this chapter); Oklahoma Metropolitan (Part 1106 of this chapter); North Texas (Part 1126 of this chapter); Central Arizona (Part 1131 of this chapter); Great Basin (Part 1136 of this chapter); and Eastern Colorado (Part 1137 of this chapter) milk marketing orders. If the supply-demand adjustment in any of these markets is limited in its effect by another provision of the respective order, the supply-demand adjustment to be used in this computation shall be the net adjustment which determines the Class I price in such market.

2. Section 1138.52 is revised to read as follows:

§ 1138.52 Location adjustments to handlers.

(a) For milk received from producers at a pool plant located in Zone II (comprising the counties of Archuleta, La Plata, and Montezuma, Colo., and San Juan, N. Mex.) and in Zone III (comprising the counties of Eddy, Chaves, Curry, De Baca, Lea, Quay, and Roosevelt, N. Mex.) which is classified as Class I milk or assigned Class I location adjustment credit pursuant to paragraph (c) of this section, and for other source milk to which a location adjustment is applicable, the price computed pursuant to § 1138.51(a) shall be reduced by 15 cents;

(b) For milk received from producers at a pool plant located outside the marketing area and more than 100 miles by the shortest highway distance, as determined by the market administrator, from the nearest of the county courthouses in Bernalillo or Santa Fe Counties, N. Mex., or El Paso, Tex., and which is classified as Class I milk or assigned Class I location adjustment credit pursuant to paragraph (c) of this section and for other source milk to which a location adjustment is applicable, the price computed pursuant to § 1138.51(a) shall be reduced by 15 cents and by an additional cent for each 10 miles or fraction thereof, that such distance calculated from the Bernalillo, Santa Fe or El Paso County Courthouse, whichever is nearer, exceeds 110 miles;

(c) For purposes of calculating such adjustment, bulk transfers of fluid milk products between pool plants shall be assigned Class I disposition at the transferee plant, in excess of the sum of receipts at such plant from producers and the pounds assigned as Class I to receipts from other order plants and unregulated supply plants. Such assignment is to be made first to transferor plants at which no location adjustment credit is applicable and then in sequence beginning with the plant at which the least location adjustment would apply.

3. Section 1138.81 is revised to read as follows:

§ 1138.81 Location differentials to producers and on nonpool milk.

(a) For producer milk received at pool plants located in Zones II and III or at pool plants located outside the marketing area and more than 100 miles, as determined by the market administrator, from the nearest of the county courthouses in El Paso County, Tex., or Bernalillo, or

Santa Fe Counties, N. Mex., there shall be deducted an adjustment for each such plant for all milk at the rates specified in pursuant to § 1138.52;

(b) For purposes of computations pursuant to §§ 1138.84 and 1138.85, the uniform price shall be adjusted at the rates set forth in § 1138.52 applicable at the location of the nonpool plant from which the milk was received.

Signed at Washington, D.C., on May 28, 1965.

CLARENCE H. GIRARD,
Deputy Administrator,
Regulatory Programs.

[F.R. Doc. 65-5736; Filed, June 1, 1965; 8:50 a.m.]

DEPARTMENT OF COMMERCE

Maritime Administration

[46 CFR Ch. II]

INTERPRETATION OF MERCHANT MARINE ACT, 1936, AS AMENDED

Notice of Proposed Rule Making

Pursuant to section 204(b) Merchant Marine Act, 1936, as amended (46 U.S.C. 1114) and in accordance with the provisions of section 3(a)(3) of the Administrative Procedure Act (5 U.S.C. 1002(a)(3)), notice is hereby given that the Maritime Subsidy Board is contemplating the promulgation of an interpretative regulation concerning section 605(c), Merchant Marine Act, 1936, as amended. While the subsidy program is exempt from the requirements of section 4, Administrative Procedure Act, the Board invites interested parties to submit by the close of business on July 16, 1965, to the Secretary, Maritime Subsidy Board, in triplicate, any written data or views on the contemplated interpretation which they may want considered. Upon final adoption by the Board of an interpretation of section 605(c), the Board will publish its interpretation and thereafter apply the criteria adopted to the question of whether additional subsidized sailings are required to provide adequate service by U.S.-flag vessels. It is proposed that the following new Part 248—Interpretations be added to this chapter.

PART 248—INTERPRETATIONS

INTERPRETATION OF MERCHANT MARINE ACT, 1936, AS AMENDED

§ 248.1 Interpretation of section 605 (c).

(a) "Service already provided by vessels of United States registry" is "inadequate" if the existing U.S.-flag services carry less than 50 percent of the commercial cargoes practically attainable by U.S.-flag vessels (exclusive of military and cargo preference cargoes) moving on a service, route or line.

(b) Where "inadequacy", as defined in paragraph (a) of this section is found, additional U.S.-flag service is in accomplishment of the "purpose and policy" of the Act, as expressed in section 101, that "a substantial portion of the waterborne export and import foreign commerce of the United States" be carried

by the United States Merchant Marine. The Board will determine administratively which applicant or applicants, if any, is or are best qualified to provide the additional services required.

(c) Where "inadequacy", as defined in paragraph (a) of this section, is determined, the Board will find, in accordance with the provisions of section 101, that additional service should be provided by a qualified applicant even though such action may be "to give undue advantage or be unduly prejudicial, as between citizens of the United States, in the operation of vessels in competitive services".

Dated: May 28, 1965.

By order of the Maritime Subsidy Board/Maritime Administration.

JAMES S. DAWSON, Jr.,
Secretary.

[P.R. Doc. 65-5793; Filed, June 1, 1965;
10:00 a.m.]

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Food and Drug Administration

[21 CFR Part 20]

ICE CREAM

Notice of Proposal To Amend Standard of Identity

Notice is given that the International Association of Ice Cream Manufacturers, 910 17th Street NW., Washington, D.C., has petitioned for amendment of the labeling requirements in the standards of identity for ice cream, as follows:

1. It is proposed that § 20.1(g) of the standard for ice cream be amended with reference to the placement of labeling showing the characterizing flavoring ingredients used. Instead of requiring this labeling to be shown, as the regulations now provide, wherever the name of the food appears so conspicuously as to be easily seen under the customary conditions of purchase, it is proposed that the labeling showing the characterizing flavoring ingredients be required to be displayed wherever the name of the food appears conspicuously on the principal display panel or panels of containers.

2. It is proposed that § 20.1(g) (5) (i) in the standard for ice cream be amended to read:

(5) An artificial flavor simulating the characterizing flavor shall be deemed to predominate:

(i) In the case of vanilla beans or vanilla extract used in combination with vanillin, if the amount of vanillin used

is greater than 1 ounce per unit of vanilla constituent, as that term is defined in § 22.1(c) of this chapter.

As presently worded, subparagraph (5) (i) states that when the artificial flavoring vanillin is used in combination with vanilla beans or vanilla extract the artificial flavoring is deemed to predominate if the amount of vanillin used is greater than 1 ounce per 13.35 ounces of vanilla beans or 1 unit of vanilla constituent as that term is defined in § 22.1 (c) of the regulations. (The definition for "unit of vanilla constituent" is based on 13.35 ounces of vanilla beans containing not more than 25 percent moisture or that weight of vanilla beans of higher moisture content equivalent in moisture-free solids to 13.35 ounces of vanilla beans containing 25 percent moisture.)

3. It is proposed that § 20.1(g) (5) (iv) of the ice cream standard be amended to provide that the words "artificially flavored" or "flavored" need appear only once in names; for example, the designation "artificially flavored banana and artificially flavored almond ice cream" may be shortened to "artificially flavored banana-almond ice cream."

Pursuant to the provisions of the Federal Food, Drug, and Cosmetic Act (secs. 401, 701, 52 Stat. 1046, 1053; as amended 70 Stat. 919, 72 Stat. 948; 21 U.S.C. 341, 371) and in accordance with the authority delegated to the Commissioner of Food and Drugs by the Secretary of Health, Education, and Welfare (21 CFR 2.90; 29 F.R. 471), all interested persons are invited to submit their views in writing regarding the proposal published herein. Such views and comments should be submitted in quintuplicate, addressed to the Hearing Clerk, Department of Health, Education, and Welfare, Room 5440, 330 Independence Avenue SW., Washington, D.C., 20201, within 30 days following the date of publication of this notice in the FEDERAL REGISTER.

Dated: May 25, 1965.

GEO. P. LARRICK,
Commissioner of Food and Drugs.

[P.R. Doc. 65-5722; Filed, June 1, 1965;
8:48 a.m.]

FEDERAL AVIATION AGENCY

[14 CFR Part 61]

[Docket No. 1807]

PREREQUISITES TO WRITTEN EXAMINATIONS

Withdrawal of Notice of Proposed Rule Making

The Federal Aviation Agency has had under consideration a proposal to amend

Part 61 of the Federal Aviation Regulations to prescribe prerequisites for the taking of written examinations for private and commercial pilot and flight instructor certificates and ratings. The reasons for the proposal were set forth in the explanatory statement of a notice of proposed rule making that was published in the FEDERAL REGISTER (28 F.R. 6657) on June 27, 1963, and circulated to the public as Notice 63-24. Interested persons were afforded an opportunity to participate in the proposed rule making through submission of comments.

The proposed amendment was offered to limit admission to the examinations to bona fide applicants who have had some flight experience or completed an acceptable ground school course, and to preclude persons from taking the examinations for the purpose of disclosing the contents to others rather than fulfilling the requirements for a certificate. Amendment 13 to Part 61, "Cheating on Tests and Other Irregularities," was issued February 11, 1965, and made effective March 20, 1965 (30 F.R. 2195). This provision should do much to attain the objective of the proposed amendment, that is, to preserve the integrity of the written examinations. Also, after giving due consideration to all relevant matter presented in response to Notice 63-24, including arguments both for and against the proposed rule, the Agency has concluded, first, that the adoption of the proposed prerequisites for written examinations would not seriously handicap the operations of persons engaged in the preparation and role of "keys" or materially reduce the use of such materials, and, second, that the benefits that the proposed rule would provide would be considerably outweighed by the adverse effect from the standpoint of promotion of aviation.

In consideration of the foregoing, the notice of proposed rule making entitled "Prerequisites to Written Examinations" and circulated as Notice 63-24 is hereby withdrawn.

This withdrawal shall become effective on publication in the FEDERAL REGISTER.

This withdrawal is made under the authority of sections 313(a), 601, and 602 of the Federal Aviation Act of 1958 (49 U.S.C. 1354, 1421, 1422).

Issued in Washington, D.C., on May 26, 1965.

C. W. WALKER,
Acting Director,
Flight Standards Service.

[P.R. Doc. 65-5706; Filed, June 1, 1965;
8:47 a.m.]

Notices

DEPARTMENT OF THE TREASURY

Bureau of Customs

[Antidumping—AA 643.3-b]

SHOES FROM CZECHOSLOVAKIA

Withholding of Appraisal Notice

MAY 25, 1965.

Pursuant to section 201(b) of the Antidumping Act, 1921, as amended (19 U.S.C. 160(b)), notice is hereby given that there are reasonable grounds to believe or suspect, from information presented to me, that the purchase price is less or likely to be less than the constructed value of shoes, leather, men's and boys', imported from Czechoslovakia as defined by sections 203 and 206, respectively, of the Antidumping Act, 1921, as amended (19 U.S.C. 162 and 165).

Customs officers are being directed to withhold appraisal of shoes, leather, men's and boys' imported from Czechoslovakia in accordance with the provisions of § 14.9(a) of the Customs Regulations (19 CFR 14.9(a)).

The information alleging that the merchandise under consideration was being sold at less than fair value within the meaning of the Antidumping Act was received in proper form on August 12, 1964. The complaint was initiated within the Customs Service.

This notice is published pursuant to § 14.6(e) of the Customs Regulations (19 CFR 14.6(e)).

[SEAL] LAWRENCE FLEISHMAN,
Acting Commissioner of Customs.

[F.R. Doc. 65-5698; Filed, June 1, 1965; 8:47 a.m.]

[Antidumping—AA 643.3-b]

SHOES FROM RUMANIA

Withholding of Appraisal Notice

MAY 25, 1965.

Pursuant to section 201(b) of the Antidumping Act, 1921, as amended (19 U.S.C. 160(b)), notice is hereby given that there are reasonable grounds to believe or suspect, from information presented to me, that the purchase price is less or likely to be less than the constructed value of shoes, leather, men's and boys', welt construction, imported from Rumania as defined by sections 203 and 206, respectively, of the Antidumping Act, 1921, as amended (19 U.S.C. 162 and 165).

Customs officers are being directed to withhold appraisal of shoes, leather, men's and boys', welt construction, imported from Rumania in accordance with the provisions of § 14.9(a) of the Customs Regulations (19 CFR 14.9(a)).

The information alleging that the merchandise under consideration was being sold at less than fair value within

the meaning of the Antidumping Act was received in proper form on October 15, 1964. The complaint was received from Truitt Brothers, Inc., Belfast, Maine, through Senator Edmund S. Muskie.

This notice is published pursuant to § 14.6(e) of the Customs Regulations (19 CFR 14.6(e)).

[SEAL] LAWRENCE FLEISHMAN,
Acting Commissioner of Customs.

[F.R. Doc. 65-5699; Filed, June 1, 1965; 8:47 a.m.]

DEPARTMENT OF THE INTERIOR

Bureau of Land Management

[Group 419]

CALIFORNIA

Notice of Filing of Plat of Survey and Order Providing for the Opening of Public Lands

MAY 24, 1965.

1. Plat of survey for the following described lands will be officially filed in the District and Land Office, Riverside, Calif., effective 10 a.m. on June 28, 1965:

SAN BERNARDINO MERIDIAN, CALIF.

T. 15 S., R. 21 E.,
Sec. 14: W $\frac{1}{2}$;
Sec. 15: All;
Sec. 16: Lots 1, 2, 3, 4, and 5, E $\frac{1}{2}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$ NE $\frac{1}{4}$, N $\frac{1}{2}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$ NW $\frac{1}{4}$, NW $\frac{1}{4}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$, and SE $\frac{1}{4}$.

The area described aggregates 1,567.52 acres. Plat of survey accepted March 25, 1965.

2. Except for and subject to valid existing rights, it is presumed that title to the following described lands passed to the State of California upon acceptance of the plat of survey:

SAN BERNARDINO MERIDIAN, CALIF.

T. 15 S., R. 21 E.,
Sec. 16: Lots 1, 2, 3, 4, and 5, E $\frac{1}{2}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$ NE $\frac{1}{4}$, N $\frac{1}{2}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$ NW $\frac{1}{4}$, NW $\frac{1}{4}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$, and SE $\frac{1}{4}$.

The area described aggregates 607.52 acres.

3. The following described lands are open to application, location, selection, and petition as outlined in paragraph 5 below. No application for these lands will be allowed under the homestead, desert land, small tract, or any other nonmineral public land law, unless the lands have already been classified upon consideration of an application. Any application that is filed will be considered on its merits. The lands will not be subject to occupancy or disposition until they have been classified:

SAN BERNARDINO MERIDIAN, CALIF.

T. 15 S., R. 21 E.,
Sec. 14: W $\frac{1}{2}$;
Sec. 15: All.

The area described aggregates 960.00 acres.

4. Land Use Characteristics: The lands described in paragraph 3 above are located in the Cargo Muchacho Mountains approximately 6 miles northeast of Ogilby, Calif., and approximately 11 miles northwest of Yuma, Ariz. The land is partially accessible by unimproved dirt roads which run on the north and east of the above-described lands. Elevations range from 1,500 to 2,000 feet above mean sea level. The climate in the area is extremely arid and vegetation is sparse and of no economic significance.

5. Subject to any existing valid rights and the requirements of applicable law, the lands described in paragraph 3 are hereby opened to filing applications, selections, and locations in accordance with the following:

a. Applications and selections under the nonmineral public land laws and applications and offers under the mineral leasing laws may be presented to the Manager mentioned below, beginning on the date of this order. Such applications, selections, and offers will be considered as filed on the hour and respective dates shown for the various classes enumerated in the following paragraphs:

(1) Applications by persons having prior existing valid settlement rights, preference rights conferred by existing laws, or equitable claims subject to allowance and confirmation will be adjudicated on the facts presented in support of each claim or right. All applications presented by persons other than those referred to in this paragraph will be subject to the applications and claims mentioned in this paragraph.

(2) All valid applications and selections under the nonmineral public land laws and applications and offers under the mineral leasing laws presented prior to 10 a.m. on June 28, 1965, will be considered as simultaneously filed at that hour. Rights under such applications and selections and offers filed after that hour will be governed by the time of filing.

b. Persons claiming preference rights based upon valid settlement, statutory preference, or equitable claims must enclose properly corroborated statements in support of their applications, setting forth all facts relevant to their claims. Detailed rules and regulations governing applications which may be filed pursuant to this notice can be found in Title 43 of the Code of Federal Regulations.

6. Inquiries concerning these lands should be addressed to the Manager, District and Land Office, Bureau of Land Management, 1414 Eighth Street, Post Office Box 723, Riverside, Calif., 92502.

HALL H. McCLAIN,
Manager.

[F.R. Doc. 65-5699; Filed, June 1, 1965; 8:46 a.m.]

[Wyoming 0316699]

WYOMING

Notice of Proposed Withdrawal and Reservation of Lands

The Forest Service, U.S. Department of Agriculture, has filed application, serial number Wyoming 0316699, for the withdrawal of lands described below, from location and entry under the general mining laws, but not the mineral leasing laws, subject to valid existing rights.

The applicant wishes to assure tenure of the described lands which contain valuable recreational improvements.

For a period of 30 days from the date of publication of this notice, all persons who wish to submit comments, suggestions, or objections in connection with the proposed withdrawal may present their views in writing to the undersigned officer of the Bureau of Land Management, Department of the Interior, 2120 Capitol Avenue, Cheyenne, Wyo., 82001.

The Department's regulations, 43 CFR 2311.1-3(c), provide that the authorized officer of the Bureau of Land Management will undertake such investigations as are necessary to determine the existing and potential demand for the lands and their resources. He will also undertake negotiations with the applicant agency with the view of adjusting the application to reduce the area to the minimum essential to meet the applicant's needs, to provide for the maximum concurrent utilization of the lands for purposes other than the applicant's, to eliminate lands needed for purposes more essential than the applicant's, and to reach agreement on the concurrent management of the lands and their resources.

The authorized officer will also prepare a report for consideration by the Secretary of the Interior who will determine whether or not the lands will be withdrawn as requested by the applicant agency.

The determination of the Secretary on the application will be published in the FEDERAL REGISTER. A separate notice will be sent to each interested party of record.

If circumstances warrant, a public hearing will be held at a convenient time and place, which will be announced.

The lands involved in the application are:

SIXTH PRINCIPAL MERIDIAN, WYOMING

SHOSHONE NATIONAL FOREST

Sinks Canyon Winter Sports Area

T. 32 N., R. 100 W.,
Sec. 19, lots 2 and 3.

Louis Beach Picnic Ground

T. 30 N., R. 101 W.,
Sec. 1, lots 8 and 9;
Sec. 12, lot 1.

Louis Lake Campground

T. 30 N., R. 101 W.,
Sec. 12, lots 3, 4, and 5.

Louis Lake Boat Site

T. 30 N., R. 101 W.,
Sec. 12, lot 6.

Blue Ridge Lookout Observation

T. 31 N., R. 101 W.,
Sec. 23, SW $\frac{1}{4}$ SW $\frac{1}{4}$ NW $\frac{1}{4}$.

Sinks Canyon Winter Sports Area

T. 32 N., R. 101 W.,
Sec. 24, E $\frac{1}{2}$ E $\frac{1}{2}$ NE $\frac{1}{4}$ and E $\frac{1}{2}$ NE $\frac{1}{4}$ SE $\frac{1}{4}$.

Camp Edwin B. Branson

T. 32 N., R. 101 W.,
Sec. 24, E $\frac{1}{2}$ SW $\frac{1}{4}$ NE $\frac{1}{4}$, W $\frac{1}{2}$ SE $\frac{1}{4}$ NE $\frac{1}{4}$, S $\frac{1}{2}$ SE $\frac{1}{4}$ NW $\frac{1}{4}$ NE $\frac{1}{4}$, and S $\frac{1}{2}$ SW $\frac{1}{4}$ NE $\frac{1}{4}$ NE $\frac{1}{4}$.

Worthen Meadow Recreation Area

T. 32 N., R. 101 W.,
Sec. 32, SW $\frac{1}{4}$, S $\frac{1}{2}$ NW $\frac{1}{4}$, and SW $\frac{1}{4}$ NE $\frac{1}{4}$.

Fremont County Youth Camp

T. 32 N., R. 101 W.,
Sec. 33, NE $\frac{1}{4}$ SW $\frac{1}{4}$ SE $\frac{1}{4}$, NW $\frac{1}{4}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$, W $\frac{1}{2}$ NE $\frac{1}{4}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$, S $\frac{1}{2}$ S $\frac{1}{2}$ SW $\frac{1}{4}$ NE $\frac{1}{4}$ SE $\frac{1}{4}$, and S $\frac{1}{2}$ S $\frac{1}{2}$ SE $\frac{1}{4}$ NW $\frac{1}{4}$ SE $\frac{1}{4}$.

Brown Mountain Campground

T. 46 N., R. 103 W.,
Sec. 23, NE $\frac{1}{4}$ SW $\frac{1}{4}$ SE $\frac{1}{4}$, NW $\frac{1}{4}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$, S $\frac{1}{2}$ SE $\frac{1}{4}$ NW $\frac{1}{4}$ SE $\frac{1}{4}$, and S $\frac{1}{2}$ SW $\frac{1}{4}$ NE $\frac{1}{4}$ SE $\frac{1}{4}$.

East Fork Campground

T. 43 N., R. 104 W.,
Sec. 8, W $\frac{1}{2}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$ and E $\frac{1}{2}$ SW $\frac{1}{4}$ SE $\frac{1}{4}$.

Dead Indian Hill Observation

T. 55 N., R. 104 W.,
Sec. 16, S $\frac{1}{2}$ NE $\frac{1}{4}$ SE $\frac{1}{4}$.

Frank Hammit Memorial

T. 56 N., R. 104 W.,
Sec. 30, S $\frac{1}{2}$ SW $\frac{1}{4}$ SW $\frac{1}{4}$ SW $\frac{1}{4}$;
Sec. 31, N $\frac{1}{2}$ NW $\frac{1}{4}$ NW $\frac{1}{4}$ NW $\frac{1}{4}$.

East Entrance Observation

T. 58 N., R. 104 W.,
Sec. 15, NW $\frac{1}{4}$ SW $\frac{1}{4}$ SE $\frac{1}{4}$.

Twin Lakes Observation

T. 58 N., R. 104 W.,
Sec. 21, E $\frac{1}{2}$ NW $\frac{1}{4}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$ and W $\frac{1}{2}$ NE $\frac{1}{4}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$.

East Summit Observation

T. 58 N., R. 104 W.,
Sec. 28, S $\frac{1}{2}$ NE $\frac{1}{4}$ NW $\frac{1}{4}$ SE $\frac{1}{4}$ and N $\frac{1}{2}$ SE $\frac{1}{4}$ NW $\frac{1}{4}$ SE $\frac{1}{4}$.

Gardner Headwall Observation

T. 58 N., R. 104 W.,
Sec. 29, NE $\frac{1}{4}$ SE $\frac{1}{4}$ SW $\frac{1}{4}$.

West Summit Observation

T. 58 N., R. 104 W.,
Sec. 31, SE $\frac{1}{4}$ SE $\frac{1}{4}$ NE $\frac{1}{4}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$ SW $\frac{1}{4}$ NW $\frac{1}{4}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$ NW $\frac{1}{4}$ SW $\frac{1}{4}$ NE $\frac{1}{4}$, and NE $\frac{1}{4}$ NE $\frac{1}{4}$ SE $\frac{1}{4}$ NW $\frac{1}{4}$.

Ridgetop Observation

T. 58 N., R. 104 W.,
Sec. 31, E $\frac{1}{2}$ SW $\frac{1}{4}$ SW $\frac{1}{4}$ SW $\frac{1}{4}$ NW $\frac{1}{4}$, W $\frac{1}{2}$ SW $\frac{1}{4}$ SE $\frac{1}{4}$ SW $\frac{1}{4}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$ NW $\frac{1}{4}$ NW $\frac{1}{4}$ SW $\frac{1}{4}$, E $\frac{1}{2}$ NW $\frac{1}{4}$ NW $\frac{1}{4}$ NW $\frac{1}{4}$ SW $\frac{1}{4}$, W $\frac{1}{2}$ NW $\frac{1}{4}$ NE $\frac{1}{4}$ NW $\frac{1}{4}$ SW $\frac{1}{4}$, and SE $\frac{1}{4}$ SW $\frac{1}{4}$ SW $\frac{1}{4}$ NW $\frac{1}{4}$.

Reef Creek Campground

T. 56 N., R. 105 W.,
Sec. 7, N $\frac{1}{2}$ NW $\frac{1}{4}$ SW $\frac{1}{4}$, not to include HES 90.

Island Lake Campground

T. 57 N., R. 105 W.,
Sec. 3, SE $\frac{1}{4}$ SW $\frac{1}{4}$ SW $\frac{1}{4}$;
Sec. 10, NW $\frac{1}{4}$ NE $\frac{1}{4}$ NW $\frac{1}{4}$, S $\frac{1}{2}$ NE $\frac{1}{4}$ NW $\frac{1}{4}$, and NW $\frac{1}{4}$ NW $\frac{1}{4}$.

Long Lake Observation

T. 57 N., R. 105 W.,
Sec. 11, SE $\frac{1}{4}$ NE $\frac{1}{4}$ NE $\frac{1}{4}$.

Horse Creek Campground

T. 43 N., R. 106 W.,
Sec. 30, W $\frac{1}{2}$ NW $\frac{1}{4}$ NW $\frac{1}{4}$.

Double Cabin Administrative Site and Recreation Area

T. 44 N., R. 106 W.,
Sec. 3, E $\frac{1}{2}$ NW $\frac{1}{4}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$ NW $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$ NW $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$, E $\frac{1}{2}$ NW $\frac{1}{4}$ SW $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$, NW $\frac{1}{4}$, SE $\frac{1}{4}$, and W $\frac{1}{2}$ NE $\frac{1}{4}$.

Clearwater Picnic Ground

T. 52 N., R. 106 W.,
Sec. 19, NE $\frac{1}{4}$ SW $\frac{1}{4}$, N $\frac{1}{2}$ NW $\frac{1}{4}$ SE $\frac{1}{4}$, and S $\frac{1}{2}$ S $\frac{1}{2}$ SW $\frac{1}{4}$ NE $\frac{1}{4}$.

Elk Fork Campground

T. 52 N., R. 106 W.,
Sec. 21, N $\frac{1}{2}$ NE $\frac{1}{4}$ SW $\frac{1}{4}$, S $\frac{1}{2}$ SE $\frac{1}{4}$ NW $\frac{1}{4}$, S $\frac{1}{2}$ NW $\frac{1}{4}$ SE $\frac{1}{4}$ NW $\frac{1}{4}$, and E $\frac{1}{2}$ NE $\frac{1}{4}$ NW $\frac{1}{4}$ SW $\frac{1}{4}$.

Wapiti Campground

T. 52 N., R. 106 W.,
Sec. 21, NW $\frac{1}{4}$ SW $\frac{1}{4}$ NE $\frac{1}{4}$, S $\frac{1}{2}$ SW $\frac{1}{4}$ NW $\frac{1}{4}$ NE $\frac{1}{4}$, NE $\frac{1}{4}$ SE $\frac{1}{4}$ NW $\frac{1}{4}$, S $\frac{1}{2}$ SE $\frac{1}{4}$ NE $\frac{1}{4}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$ NW $\frac{1}{4}$ SE $\frac{1}{4}$ NW $\frac{1}{4}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$ NE $\frac{1}{4}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$ NE $\frac{1}{4}$ NW $\frac{1}{4}$, and NW $\frac{1}{4}$ SE $\frac{1}{4}$ NE $\frac{1}{4}$ NW $\frac{1}{4}$.

Big Game Campground

T. 52 N., R. 106 W.,
Sec. 22, S $\frac{1}{2}$ SE $\frac{1}{4}$ NW $\frac{1}{4}$, N $\frac{1}{2}$ NE $\frac{1}{4}$ SW $\frac{1}{4}$, NW $\frac{1}{4}$ NW $\frac{1}{4}$ SE $\frac{1}{4}$, SW $\frac{1}{4}$ SW $\frac{1}{4}$ NE $\frac{1}{4}$ except that area withdrawn as the Wapiti Administrative Site.

Horse Creek Picnic Ground

T. 52 N., R. 106 W.,
Sec. 23, N $\frac{1}{2}$ SE $\frac{1}{4}$ NW $\frac{1}{4}$, S $\frac{1}{2}$ S $\frac{1}{2}$ NE $\frac{1}{4}$ NW $\frac{1}{4}$, and NW $\frac{1}{4}$ SW $\frac{1}{4}$ NE $\frac{1}{4}$.

Hanging Rock Campground

T. 52 N., R. 106 W.,
Sec. 24, N $\frac{1}{2}$ SE $\frac{1}{4}$ SW $\frac{1}{4}$ and N $\frac{1}{2}$ S $\frac{1}{2}$ SE $\frac{1}{4}$ SW $\frac{1}{4}$.

Slipper Rock

T. 52 N., R. 106 W.,
Sec. 24, SE $\frac{1}{4}$ NW $\frac{1}{4}$ SW $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$ NW $\frac{1}{4}$ SW $\frac{1}{4}$, and W $\frac{1}{2}$ SW $\frac{1}{4}$ NE $\frac{1}{4}$ SW $\frac{1}{4}$.

Clay Butte Lookout

T. 57 N., R. 106 W.,
Sec. 1, SW $\frac{1}{4}$ SW $\frac{1}{4}$;
Sec. 11, NE $\frac{1}{4}$ NE $\frac{1}{4}$;
Sec. 12, NW $\frac{1}{4}$ NW $\frac{1}{4}$.

Beartooth Butte Observation

T. 57 N., R. 106 W.,
Sec. 7, S $\frac{1}{2}$ NE $\frac{1}{4}$ NE $\frac{1}{4}$ NW $\frac{1}{4}$ and N $\frac{1}{2}$ SE $\frac{1}{4}$ NE $\frac{1}{4}$ NW $\frac{1}{4}$.

Beartooth Falls Observation

T. 57 N., R. 106 W.,
Sec. 7, NE $\frac{1}{4}$ SW $\frac{1}{4}$ NW $\frac{1}{4}$.

Lake Creek Observation

T. 57 N., R. 106 W.,
Sec. 8, SW $\frac{1}{4}$ SE $\frac{1}{4}$ SW $\frac{1}{4}$.

North Absaroka Observation

T. 57 N., R. 106 W.,
Sec. 11, E $\frac{1}{2}$ NE $\frac{1}{4}$ SE $\frac{1}{4}$ SW $\frac{1}{4}$ and W $\frac{1}{2}$ NW $\frac{1}{4}$ SW $\frac{1}{4}$ SE $\frac{1}{4}$.

Pilot Peak Observation

T. 57 N., R. 106 W.,
Sec. 14, E $\frac{1}{2}$ NE $\frac{1}{4}$ SW $\frac{1}{4}$ NE $\frac{1}{4}$ and W $\frac{1}{2}$ NW $\frac{1}{4}$ SE $\frac{1}{4}$ NE $\frac{1}{4}$.

Clarks Fork Overlook

T. 57 N., R. 106 W.,
Sec. 17, SE $\frac{1}{4}$ SE $\frac{1}{4}$ NW $\frac{1}{4}$ NE $\frac{1}{4}$, SW $\frac{1}{4}$ SW $\frac{1}{4}$ NE $\frac{1}{4}$ NE $\frac{1}{4}$, NE $\frac{1}{4}$ NE $\frac{1}{4}$ SW $\frac{1}{4}$ NE $\frac{1}{4}$, and NW $\frac{1}{4}$ NW $\frac{1}{4}$ SE $\frac{1}{4}$ NE $\frac{1}{4}$.

Lake Creek Campground

T. 57 N., R. 106 W.,
Sec. 17, E $\frac{1}{2}$ SW $\frac{1}{4}$ NW $\frac{1}{4}$.

Hunter Peak Campground

T. 57 N., R. 106 W.,
Sec. 27, E $\frac{1}{2}$ SW $\frac{1}{4}$ SE $\frac{1}{4}$;
Sec. 34, NE $\frac{1}{4}$ NW $\frac{1}{4}$ NE $\frac{1}{4}$, not to include
HES 96.

Horse Creek Campground

T. 43 N., R. 107 W.,
Sec. 25, E $\frac{1}{2}$ NE $\frac{1}{4}$ NE $\frac{1}{4}$.

Henry Ford Observation

T. 52 N., R. 107 W.,
Sec. 20, N $\frac{1}{2}$ NE $\frac{1}{4}$ SW $\frac{1}{4}$ SW $\frac{1}{4}$ and S $\frac{1}{2}$ SE $\frac{1}{4}$
NW $\frac{1}{4}$ SW $\frac{1}{4}$.

Rez Hale Campground

T. 52 N., R. 107 W.,
Sec. 21, NW $\frac{1}{4}$ NE $\frac{1}{4}$ SE $\frac{1}{4}$ and NE $\frac{1}{4}$ NW $\frac{1}{4}$
SE $\frac{1}{4}$.

Fire Fighters Memorial

T. 52 N., R. 107 W.,
Sec. 21, W $\frac{1}{2}$ NE $\frac{1}{4}$ SE $\frac{1}{4}$ SW $\frac{1}{4}$ and E $\frac{1}{2}$ NW $\frac{1}{4}$
SE $\frac{1}{4}$ SW $\frac{1}{4}$.

Mummy Cave Archeological Area

T. 52 N., R. 107 W.,
Sec. 21, E $\frac{1}{2}$ NE $\frac{1}{4}$ SE $\frac{1}{4}$;
Sec. 22, W $\frac{1}{2}$ NW $\frac{1}{4}$ SW $\frac{1}{4}$.

Newton Creek Campground and Picnic Site

T. 52 N., R. 107 W.,
Sec. 28, NW $\frac{1}{4}$ SW $\frac{1}{4}$ NW $\frac{1}{4}$ and SW $\frac{1}{4}$ NW $\frac{1}{4}$
NW $\frac{1}{4}$;
Sec. 29, N $\frac{1}{2}$ SE $\frac{1}{4}$ NE $\frac{1}{4}$ and S $\frac{1}{2}$ NE $\frac{1}{4}$ NE $\frac{1}{4}$.

Crazy Creek Campground

T. 57 N., R. 107 W.,
Sec. 10, NE $\frac{1}{4}$ NE $\frac{1}{4}$ NE $\frac{1}{4}$ and S $\frac{1}{2}$ NE $\frac{1}{4}$ NE $\frac{1}{4}$.

Fox Creek Campground

T. 57 N., R. 107 W.,
Sec. 30, NW $\frac{1}{4}$ SW $\frac{1}{4}$ NE $\frac{1}{4}$, S $\frac{1}{2}$ SW $\frac{1}{4}$ NE $\frac{1}{4}$,
SW $\frac{1}{4}$ SE $\frac{1}{4}$ NE $\frac{1}{4}$, N $\frac{1}{2}$ NW $\frac{1}{4}$ SE $\frac{1}{4}$, NE $\frac{1}{4}$
SE $\frac{1}{4}$, and NE $\frac{1}{4}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$.

Eagle Creek Campground

T. 52 N., R. 108 W.,
Sec. 17, SE $\frac{1}{4}$ SW $\frac{1}{4}$, S $\frac{1}{2}$ SW $\frac{1}{4}$ SE $\frac{1}{4}$, and
NW $\frac{1}{4}$ SW $\frac{1}{4}$ SE $\frac{1}{4}$.

Buffalo Bill Scout Camp

T. 52 N., R. 108 W.,
Sec. 22, S $\frac{1}{2}$ SW $\frac{1}{4}$ SE $\frac{1}{4}$ and S $\frac{1}{2}$ N $\frac{1}{2}$ SW $\frac{1}{4}$
SE $\frac{1}{4}$;
Sec. 27, N $\frac{1}{2}$ NW $\frac{1}{4}$ NE $\frac{1}{4}$.

Chimney Rock Observation

T. 52 N., R. 108 W.,
Sec. 25, NW $\frac{1}{4}$ NW $\frac{1}{4}$ NW $\frac{1}{4}$.

Falls Campground

T. 43 N., R. 109 W.,
Sec. 7, E $\frac{1}{2}$ NE $\frac{1}{4}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NE $\frac{1}{4}$, and
NE $\frac{1}{4}$ SE $\frac{1}{4}$;
Sec. 8, W $\frac{1}{2}$ W $\frac{1}{2}$ NW $\frac{1}{4}$, N $\frac{1}{2}$ NE $\frac{1}{4}$ SW $\frac{1}{4}$, and
S $\frac{1}{2}$ NW $\frac{1}{4}$ SW $\frac{1}{4}$.

Falls Observation

T. 43 N., R. 109 W.,
Sec. 8, S $\frac{1}{2}$ NE $\frac{1}{4}$ SW $\frac{1}{4}$ and N $\frac{1}{2}$ SE $\frac{1}{4}$ SW $\frac{1}{4}$.

Tie Hack Memorial

T. 43 N., R. 109 W.,
Sec. 34, W $\frac{1}{2}$ SW $\frac{1}{4}$ SE $\frac{1}{4}$ NW $\frac{1}{4}$ and E $\frac{1}{2}$ SE $\frac{1}{4}$
SW $\frac{1}{4}$ NW $\frac{1}{4}$.

Pahaska Campground

T. 52 N., R. 109 W.,
Sec. 2, S $\frac{1}{2}$ SW $\frac{1}{4}$ SW $\frac{1}{4}$;
Sec. 3, S $\frac{1}{2}$ SE $\frac{1}{4}$ and SE $\frac{1}{4}$ SE $\frac{1}{4}$ SW $\frac{1}{4}$;
Sec. 10, N $\frac{1}{2}$ NE $\frac{1}{4}$ NE $\frac{1}{4}$;
Sec. 11, N $\frac{1}{2}$ S $\frac{1}{2}$ NW $\frac{1}{4}$ and N $\frac{1}{2}$ NW $\frac{1}{4}$.

Cody Peak Observation

T. 52 N., R. 109 W.,
Sec. 11, SW $\frac{1}{4}$ NW $\frac{1}{4}$ NE $\frac{1}{4}$.

Sleeping Giant Winter Sports Area

T. 52 N., R. 109 W.,
Sec. 11, W $\frac{1}{2}$ SE $\frac{1}{4}$, W $\frac{1}{2}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$, SW $\frac{1}{4}$ NE $\frac{1}{4}$
SE $\frac{1}{4}$, and S $\frac{1}{2}$ SW $\frac{1}{4}$ NE $\frac{1}{4}$.

Sleeping Giant Campground

T. 52 N., R. 109 W.,
Sec. 12, SE $\frac{1}{4}$ SW $\frac{1}{4}$ NW $\frac{1}{4}$, W $\frac{1}{2}$ SW $\frac{1}{4}$ SE $\frac{1}{4}$
NW $\frac{1}{4}$, and N $\frac{1}{2}$ NE $\frac{1}{4}$ NW $\frac{1}{4}$ SW $\frac{1}{4}$.

Wind River Turnout

T. 43 N., R. 110 W.,
Sec. 1, S $\frac{1}{2}$ SE $\frac{1}{4}$ NW $\frac{1}{4}$ SW $\frac{1}{4}$, S $\frac{1}{2}$ SW $\frac{1}{4}$ NE $\frac{1}{4}$
SW $\frac{1}{4}$, N $\frac{1}{2}$ NW $\frac{1}{4}$ SE $\frac{1}{4}$ SW, and N $\frac{1}{2}$ NE $\frac{1}{4}$
SW $\frac{1}{4}$ SW $\frac{1}{4}$.

Brooks Lake Recreation Area

T. 44 N., R. 110 W.,
Sec. 24, S $\frac{1}{2}$ SE $\frac{1}{4}$;
Sec. 25, NE $\frac{1}{4}$, W $\frac{1}{2}$ NW $\frac{1}{4}$, N $\frac{1}{2}$ NE $\frac{1}{4}$ NW $\frac{1}{4}$,
S $\frac{1}{2}$ SE $\frac{1}{4}$ NW $\frac{1}{4}$, N $\frac{1}{2}$ SW $\frac{1}{4}$, and N $\frac{1}{2}$ S $\frac{1}{2}$
SW $\frac{1}{4}$.

Togwotee Pass Observation

T. 44 N., R. 110 W.,
Sec. 28, NW $\frac{1}{4}$ NW $\frac{1}{4}$. This withdrawal is
limited to that portion of Sec. 28, NW $\frac{1}{4}$
NW $\frac{1}{4}$, located south of the Shoshone-
Teton National Forest boundaries.

Wind River Lake Picnic Ground

T. 44 N., R. 110 W.,
Sec. 28, NE $\frac{1}{4}$ SE $\frac{1}{4}$ and N $\frac{1}{2}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$.

The areas described aggregate 3,504.48
acres.

ED PIERSON,
State Director.

[F.R. Doc. 65-5690; Filed, June 1, 1965;
8:46 a.m.]

DEPARTMENT OF AGRICULTURE

Consumer and Marketing Service
CHIEF OF WAREHOUSE SERVICES
BRANCH ET AL.

Delegation of Authority

Pursuant to authority delegated to the
Director of the Transportation and
Warehouse Division (30 F.R. 1260, as
amended by 30 F.R. 6597), it is hereby
ordered as follows:

1. The Chief of the Warehouse Service
Branch is authorized to perform all the
duties and exercise all the functions and
powers in connection with (a) the ware-
house examination function with respect
to warehouses storing commodities pur-
suant to contracts or agreements with the
Commodity Credit Corporation, and (b)
the administration of the U.S. Warehouse
Act (7 U.S.C. 241-273) except the issu-
ance and amendment of rules and regu-
lations, the suspension of licenses tem-
porarily without hearing under sections
25 or 9 of the act (7 U.S.C. 246, 248), and
the performance of functions reserved
to the Judicial Officer of the Department
of Agriculture in section 111b, 30 F.R.
6697.

2. The Chief of the Transportation
Services Branch is authorized to take all
actions necessary in connection with pro-
ceedings under section 201 of the Agri-
cultural Adjustment Act of 1938 (7 U.S.C.
1291) and section 203(j) of the Agricul-
tural Marketing Act of 1946 (7 U.S.C.
1622(j)) when participation therein on

behalf of the Secretary is authorized by
the Director, and otherwise to perform
all the duties and to exercise all the func-
tions and powers in connection with the
administration of said sections.

3. The Chief of the Defense Programs
Branch is authorized to perform all the
duties and exercise all the functions in
directing and coordinating and planning
activities and operations assigned to the
Director with respect to civil defense and
defense mobilization.

Each of said Chiefs may redelegate any
authority conferred upon him hereby to
such officers or employees of the respec-
tive Branch as he deems appropriate.
No delegation made herein shall preclude
the Director from performing any of the
duties or exercising any of the functions
or powers delegated hereby. The dele-
gations made hereby are subject at all
times to withdrawal or amendment by
the Director.

This delegation shall be effective June
7, 1965, and supersedes the delegation of
authority issued by the Director, Special
Services Division, on October 30, 1956 (21
F.R. 8544).

Done at Washington, D.C., this 27th
day of May 1965.

GEORGE A. DICE,
Director, Transportation
and Warehouse Division.

[F.R. Doc. 65-5731; Filed, June 1, 1965;
8:50 a.m.]

OFFICERS IN CHARGE, NATIONAL
GRAIN AND COTTON FIELD OF-
FICES

Delegation of Authority

Pursuant to authority delegated to me
by order of the Director, Transportation
and Warehouse Division, Consumer and
Marketing Service, dated May 27, 1965,
functions vested in me are hereby redele-
gated with respect to grain, dry bean,
broomcorn, sirup, wool, canned food,
cold-pack fruit, and seeds warehouses to
the Officer in Charge, National Grain
Field Office, Kansas City, Mo., and with
respect to cotton, cottonseed, tobacco,
and nuts warehouses to the Officer in
Charge, National Cotton Field Office,
New Orleans, La., as follows:

1. The issuance of licenses authorized
under sections 4, 9, and 11 of the U.S.
Warehouse Act (7 U.S.C. 244, 248, and
252).

2. The modification or extension of li-
censes authorized by section 5 of the U.S.
Warehouse Act (7 U.S.C. 245).

3. Upon written request and a satisfac-
tory statement of reasons therefor, sub-
mitted by a licensee, the suspension, re-
vocation or cancellation of the license held
by the licensee as authorized in applica-
ble regulations.

No delegation made herein shall pre-
clude the Chief, Warehouse Service
Branch, from performing any of the du-
ties or exercising any of the functions or
powers delegated hereby. The dele-
gations made hereby are subject at all times
to withdrawal or amendment by the
Branch Chief.

This delegation shall be effective June 7, 1965.

Done at Washington, D.C., this 27th day of May 1965.

CARL J. MILLER,
Chief,
Warehouse Service Branch.

[F.R. Doc. 65-5732; Filed, June 1, 1965;
8:50 a.m.]

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Office of the Secretary PUBLIC HEALTH SERVICE

Statement of Organization and Delegations of Authority

The Statement of Organization and Delegations of Authority of the Department of Health, Education, and Welfare (22 F.R. 1245 as amended by 28 F.R. 10433, 10688, 11647, and 13374, and 29 F.R. 12482 and 18182), is hereby amended as follows:

Section 4.20, paragraph (b), is amended by adding new subparagraphs 17 and 18 as follows:

(17) The functions under section 202 (a), subject to the limitations of section 223, and other provisions of the Appalachian Regional Development Act of 1965, P.L. 89-4, 79 Stat. 5, relating to the making of grants for health facilities.

(18) The functions under section 212 (a) of the Appalachian Regional Development Act of 1965, P.L. 89-4, 79 Stat. 5, subject to the limitations of section 223, and other provisions of that Act and to general policy guidance from the Office of the Secretary, relating to making of grants for the construction of sewage treatment works.

[SEAL] ANTHONY J. CELEBREZZE,
Secretary, Department of Health,
Education, and Welfare.

MAY 25, 1965.

[F.R. Doc. 65-5724; Filed, June 1, 1965;
8:49 a.m.]

CIVIL AERONAUTICS BOARD

[Docket No. 16191]

KINGSTON FLYING CLUB

Notice of Hearing

Application for a foreign air carrier permit, issued pursuant to section 402 of the Federal Aviation Act of 1958, as amended, to perform operations of a casual, occasional or infrequent nature, in common carriage, into the United States.

Notice is hereby given, pursuant to the provisions of the Federal Aviation Act of 1958, as amended, that a hearing on the above-entitled application is assigned to be held on June 22, 1965, at 10 a.m., e.d.s.t., in Room 701, Universal Building, Connecticut and Florida Avenues NW., Washington, D.C., before Examiner Joseph L. Fitzmaurice.

Dated at Washington, D.C., May 26, 1965.

[SEAL] FRANCIS W. BROWN,
Chief Examiner.

[F.R. Doc. 65-5733; Filed, June 1, 1965;
8:50 a.m.]

[Docket No. 12732]

MOHAWK GOLDEN AGE TARIFF

Notice of Prehearing Conference

Notice is hereby given that a prehearing conference on the above-entitled application is assigned to be held on June 9, 1965, at 10 a.m., e.d.s.t., in Room 911, Universal Building, Connecticut and Florida Avenues NW., Washington, D.C., before Examiner Edward T. Stodola.

Dated at Washington, D.C., May 26, 1965.

[SEAL] FRANCIS W. BROWN,
Chief Examiner.

[F.R. Doc. 65-5734; Filed, June 1, 1965;
8:50 a.m.]

FEDERAL COMMUNICATIONS COMMISSION

[Docket Nos. 15271, 15451; FCC 65M-653]

AMERICAN COLONIAL BROADCASTING CORP.

Order Continuing Hearing

In re applications of American Colonial Broadcasting Corp., Ponce, P.R., Docket No. 15271, File No. BPCT-3104; for construction permit to change transmitter site and antenna height above average terrain of Station WSUR-TV, Channel 9, Ponce, P.R.; American Colonial Broadcasting Corp., Caguas, P.R., Docket No. 15451, File No. BPCT-3300; for construction permit to increase power of Station WKBM-TV, Channel 11, Caguas, P.R.

It is ordered, This 24th day of May 1965, because of the illness of the presiding Hearing Examiner, that hearing in the above-entitled proceeding, which heretofore was scheduled to commence June 1, 1965, is continued to a date in the near future to be specified by the presiding Hearing Examiner.

Released: May 24, 1965.

FEDERAL COMMUNICATIONS COMMISSION,

[SEAL] BEN F. WAPLE,
Secretary.

[F.R. Doc. 65-5709; Filed, June 1, 1965;
8:47 a.m.]

[Docket Nos. 15619, 15620; FCC 65M-651]

FARRAGUT TELEVISION CORP. AND PEOPLES BROADCASTING CORP.

Order Continuing Hearing

In re applications of Farragut Television Corp., Columbus, Ohio, Docket No. 15619, File No. BPCT-3319; Peoples Broadcasting Corp., Columbus, Ohio, Docket No. 15620, File No. BPCT-3333;

for construction permit for new television broadcast station.

It is ordered, This 24th day of May 1965, because of the illness of the presiding Hearing Examiner, that hearing in the above-entitled proceeding, which heretofore was scheduled to commence June 2, 1965, is continued to a date in the near future to be specified by the presiding Hearing Examiner.

Released: May 24, 1965.

FEDERAL COMMUNICATIONS COMMISSION,

[SEAL] BEN F. WAPLE,
Secretary.

[F.R. Doc. 65-5710; Filed, June 1, 1965;
8:47 a.m.]

[Docket Nos. 16020-16022; FCC 65M-668]

FIDELITY RADIO, INC., ET AL.

Order Scheduling Hearing

In re applications of Fidelity Radio, Inc., Louisville, Ky., Docket No. 16020, File No. BPH-3981; Producers, Inc., Louisville, Ky., Docket No. 16021, File No. BPH-4396; WHAS, Inc., Louisville, Ky., Docket No. 16022, File No. BPH-4630; for construction permits.

It is ordered, This 24th day of May 1965, that Elizabeth C. Smith shall serve as the presiding officer in the above-entitled proceeding; that the hearings therein shall commence at 10 a.m., on July 16, 1965; and that a prehearing conference shall be convened at 9 a.m., on June 17, 1965; and it is further ordered, That all proceedings shall be held in the Offices of the Commission, Washington, D.C.

Released: May 26, 1965.

FEDERAL COMMUNICATIONS COMMISSION,

[SEAL] BEN F. WAPLE,
Secretary.

[F.R. Doc. 65-5711; Filed, June 1, 1965;
8:47 a.m.]

[Docket Nos. 15826, 15827; FCC 65M-679]

KXYZ TELEVISION, INC., AND CREST BROADCASTING CO.

Order Regarding Procedural Dates

In re applications of KXYZ, Television, Inc., Houston, Tex., Docket No. 15826, File No. BPCT-3220; Crest Broadcasting Co., Houston, Tex., Docket No. 15827, File No. BPCT-3302; for construction permit for new television broadcast station (Channel 29).

Certain procedural dates having been agreed upon during the course of a hearing session on May 26, 1965;

It is ordered, This 26th day of May 1965, that:

(1) On or before June 14, 1965, each applicant shall identify the individuals it proposes to call for oral testimony in support of its direct case;

(2) On or before June 21, 1965, each party shall give notice of any additional individuals it wishes to have produced for cross-examination; and,

It is further ordered, That hearing shall resume on June 28, 1965, at 10 a.m.,

in the offices of the Commission at Washington, D.C.

Released: May 27, 1965.

FEDERAL COMMUNICATIONS
COMMISSION,

[SEAL] BEN F. WAPLE,
Secretary.

[F.R. Doc. 65-5712; Filed, June 1, 1965;
8:47 a.m.]

[Docket No. 15997; FCC 65M-674]

LAMPASAS BROADCASTING CORP.
(KCYL)

Order Continuing Prehearing
Conference

In re application of Lampasas Broadcasting Corp. (KCYL), Lampasas, Tex., Docket No. 15997, File No. BP-16383; for construction permit.

The Hearing Examiner having under consideration a Petition for Continuance of Prehearing Conference filed by Lampasas Broadcasting Corp. on May 21, 1965, requesting that the prehearing conference presently scheduled for June 2, 1965, at 9 a.m., be continued to June 14, 1965;

It appearing, that good cause has been shown for a grant of the request and that the other parties to the proceeding have consented to a grant thereof;

It is ordered, This 25th day of May 1965, that the Petition for Continuance of Prehearing Conference filed by Lampasas Broadcasting Corp. on May 21, 1965, be, and the same is hereby granted; and that the prehearing conference presently scheduled for June 2, 1965, at 9 a.m., be, and the same is, hereby rescheduled for June 14, 1965, at 9 a.m.

Released: May 26, 1965.

FEDERAL COMMUNICATIONS
COMMISSION,

[SEAL] BEN F. WAPLE,
Secretary.

[F.R. Doc. 65-5713; Filed, June 1, 1965;
8:48 a.m.]

[Docket No. 15658; FCC 65M-670]

NAUGATUCK VALLEY SERVICE, INC.
(WOWW)

Order Continuing Hearing

In re application of Naugatuck Valley Service, Inc. (WOWW), Naugatuck, Conn., Docket No. 15658, File No. BP-14829; for construction permit.

It is ordered, This 25th day of May 1965, on the Examiner's own motion, that the hearing in the above-entitled proceeding now scheduled for 10 a.m., May 27, 1965, is continued to 10 a.m., June 9, 1965.

Released: May 26, 1965.

FEDERAL COMMUNICATIONS
COMMISSION,

[SEAL] BEN F. WAPLE,
Secretary.

[F.R. Doc. 65-5714; Filed, June 1, 1965;
8:48 a.m.]

[Docket Nos. 15965, 15966; FCC 65M-676]

PARISH BROADCASTING CO. AND
CLINTON BROADCASTING CO.

Order Continuing Hearing

In re applications of James A. Gatewood trading as Parish Broadcasting Co., Franklinton, La., Docket No. 15965, File No. BP-16360; William E. Hardy and James E. Myers doing business as Clinton Broadcasting Co., Clinton, Miss., Docket No. 15966, File No. BP-16425; for construction permits.

A prehearing conference having been held on May 26, 1965, and it appearing from the record made therein that certain agreements were reached and certain rulings made which should be formalized by order;

It is ordered, This 26th day of May 1965, that:

(1) The direct case of Parish Broadcasting Co. shall be presented entirely in the form of sworn written exhibits;

(2) Copies of the Parish exhibits shall be exchanged on or before June 16, 1965;

(3) In the event the Broadcast Bureau wishes to call for cross-examination any witness sponsoring any of the Parish exhibits, notification thereof shall be given on or before June 23, 1965; and,

It is further ordered, That hearing herein shall commence on July 6, 1965, at 9 a.m. in the offices of the Commission at Washington, D.C.

Released: May 26, 1965.

FEDERAL COMMUNICATIONS
COMMISSION,

[SEAL] BEN F. WAPLE,
Secretary.

[F.R. Doc. 65-5715; Filed, June 1, 1965;
8:48 a.m.]

[Docket Nos. 15981, 15982; FCC 65M-671]

RADIO PHONE COMMUNICATIONS,
INC. AND AMERICAN RADIO-TELEPHONE SERVICE, INC.

Order Continuing Hearing

In re applications of Radio Phone Communications, Inc., Docket No. 15981, File No. 269-C2-P-64; for a construction permit to establish new facilities in the Domestic Public Land Mobile Radio Service at Falls Church, Va.; American Radio-Telephone Service, Inc., Docket No. 15982, File No. 1134-C2-P-64; for a construction permit to modify the facilities of station KGA248 in the Domestic Public Land Mobile Radio Service at Washington, D.C.

The Hearing Examiner having under consideration a motion filed on May 24, 1965, by Radio Phone Communications, Inc., requesting that the prehearing conference in the above-entitled proceeding, presently scheduled for May 27, 1965, be continued for a period of approximately 30 days; and

¹ The application of Clinton Broadcasting Co. is not being actively prosecuted, and action on a request to dislodge the said application is awaiting compliance with the governing rules.

It appearing, that negotiations are under way looking toward possibilities of resolving the conflict between the applicants without the necessity of a hearing, so as to permit the immediate rendition of service to the area; and that additional time will be necessary to work out a meaningful solution to present to the Commission and to prepare the necessary documents; and

It further appearing, that all other counsel have consented to an immediate consideration of this motion; that counsel for the other applicant supports the motion in its entirety; and that counsel for the Bureau has given his consent to a continuation until June 15, 1965, at least, and has further indicated that he will not oppose a further extension up to 30 days if the Examiner should make such a grant;

It is ordered, This 25th day of May 1965, that the motion for continuance of the prehearing conference be and it is hereby granted to the extent that the prehearing conference presently scheduled for May 27, 1965, is hereby continued to June 24, 1965, at 10 a.m.; and it is accordingly further ordered that the hearing presently scheduled for June 17, 1965, be and it is hereby continued to a date to be fixed at the prehearing conference.

Released: May 26, 1965.

FEDERAL COMMUNICATIONS
COMMISSION,

[SEAL] BEN F. WAPLE,
Secretary.

[F.R. Doc. 65-5716; Filed, June 1, 1965;
8:48 a.m.]

[Docket No. 15888; FCC 65M-678]

SELMA TELEVISION, INC.
(WSLA-TV)

Memorandum Opinion and Order
Amending Issues

In re application of Selma Television, Inc. (WSLA-TV), Selma, Ala., Docket No. 15888, File No. BPCT-2827; for construction permit.

1. The Hearing Examiner has under consideration the petition to enlarge issues filed on April 12, 1965, by WCOV, Inc., the comments of the Broadcast Bureau and response of Montgomery Independent Telecasters, Inc. supporting the petition and the opposition to the petition filed by Selma Television, Inc. Enlargement of the issues is sought to include the following: To determine whether the funds available to the applicant will give reasonable assurance that the proposals set forth in the application will be effectuated.

2. The petition is based on allegations conforming with those considered by the Commission as noted in the order of designation for hearing with reference to which the Commission stated that "There is nothing in the application or pleadings which will explain these apparent discrepancies. We think, however, that these are questions which may be considered by the Hearing Examiner, if properly brought before him on motion

for an 'Evansville' issue." The discrepancies to which the Commission made reference were the failures of applicant to change its estimated cost of operation for the first year and estimated revenues for the first year (Section III, Part 1 of application) despite substantive changes in its proposed programming, staff and number of commercial announcements as reflected in amendments to the application filed February 11, and July 2, 1964. Other allegations are that applicant has made no allocation for the cost of preparing the application and prosecuting it through hearing,¹ for construction costs, or the additional staffing required. Petitioner further alleges that additional studio facilities and equipment will be required in view of the substantial increase in staff, in film programming and live programs and accordingly the application response "On hand" cannot be accepted as adequate.

3. The Broadcast Bureau supports the petition on the ground that a hearing is warranted because of the failure to change the estimated annual operating expenses in view of the other changes made and of the failure to allocate funds for construction costs. The response of Montgomery Independent Telecasters, Inc. adopts the position of petitioner.

4. By its opposition Selma Television points out that in some respects petitioner appears to be urging that a showing that the facilities can be maintained for a full year without revenues from station operations is here required. This arises from the inclusion in the petition of payments of principal and interest on the equipment contract for a 12 month period. If such is the position of petitioner the doctrine of Ultravision Broadcasting Co. 4 R.R. 2d 655 with respect to new UHF television stations going into three station VHF markets here has no applicability and the standard test of adequate resources to construct the station and put it into operation will be applied. In substance the balance of the opposition urges generally that adequate funds would be available even if annual operating expenses have been underestimated as an excess of \$69,694 would be available over the cash requirements shown in the application, as amended.

5. Under the circumstances present the petition for enlargement of issues must be granted. There is no showing of preoperational expenses. There is no showing of salary costs for the initial 90-day period of operation. There is no

showing of processing costs or whether they are to be met from the showing of funds available in the application or by other means. There is no showing whether construction costs have been included. Such detailed information is admittedly not required by the application form. When the sufficiency of funds allocated is questioned, however, it becomes incumbent upon an applicant to make such showings unless the available funds are of such substance as to make their sufficiency self-evident. That is not here present.

Accordingly, it is ordered, This 26th day of May 1965, that the said petition for enlargement of issues is granted and the issues are enlarged to include the following: To determine whether the funds available to Selma Television, Inc. will give reasonable assurance that the proposals set forth in its application will be effectuated.

Released: May 27, 1965.

FEDERAL COMMUNICATIONS
COMMISSION,
[SEAL] BEN F. WAPLE,
Secretary.

[P.R. Doc. 65-5717; Filed, June 1, 1965;
8:48 a.m.]

[Docket Nos. 15803-15806; FCC 65R-191]

JOHN N. TRAXLER ET AL.

Memorandum Opinion and Order Amending Issues

In re applications of John N. Traxler and Alvera M. Traxler, Husband and Wife, Delray Beach, Fla., Docket No. 15803, File No. BPH-3485; Sunshine Broadcasting Co., Delray Beach, Fla., Docket No. 15804, File No. BPH-4174; WLOD, Inc., Pompano Beach, Fla., Docket No. 15805, File No. BPH-4253; Boca Broadcasters, Inc., Pompano Beach, Fla., Docket No. 15806, File No. BPH-4605; for construction permits.

1. Boca Broadcasters, Inc., requests the addition of several issues against John N. Traxler and Alvera M. Traxler, hereinafter referred to as the Traxlers.¹

FINANCIAL QUALIFICATIONS ISSUE

2. The petitioner's first request is for the addition of a financial qualifications issue against the Traxlers. As is so frequently the case in pleadings relating to a request for a financial qualifications issue, the allegations made by the parties are fragmentary and inaccurate. The application, as amended on April 16, 1962, and again on April 15, 1965 (see the Hearing Examiner's Order released Apr. 15, 1965, FCC 65M-464), shows estimated construction costs of \$40,749.² Accord-

ing to the April 16, 1962, amendment, first year operating costs are estimated at \$33,514.74; hence, a total of \$8,378.65 is needed to operate Traxler's proposed station for 3 months. The total construction and initial operating costs thus amount to \$49,127.65. In their application, as amended, the Traxlers claim that they have available the following assets to finance their proposal: (a) A \$14,000 loan from George I. Etling and Elizabeth Etling; (b) a loan commitment in the sum of \$7,000 from the Boca Raton National Bank, of Boca Raton, Fla.; (c) equipment credit, in the amount of \$22,100 from Collins Radio Co.; (d) a lease arrangement for land worth \$5,100, with an option to purchase the land; and (e) \$7,291 to be furnished by the Traxlers. If all of these figures could be accepted at their face value, the Traxlers have \$55,491 available in the form of cash and credit to finance their construction and initial operating costs of \$49,127.65.

3. The bank letter from the Boca Raton National Bank provides that its \$7,000 loan shall be secured by a first mortgage on the land and improvements thereon. Hence, the Traxlers cannot claim as a credit the \$5,100 worth of land which they would lease with an option to buy. Thus, if, on the one hand, they do not own the land, the bank loan would not be available; if, on the other hand, they purchase the land, they can no longer claim \$5,100 in credit for land acquisition. The \$7,291.00 which the Traxlers propose to furnish in the way of capital cannot be accepted at face value. Their balance sheet, which was submitted with the amendment which was accepted by the Examiner on April 15, 1965, shows cash in the amount of \$950; equity in stock, listed on major exchanges, in the amount of \$738.86; equity, in "automobiles" valued at \$1,739.00; an equity of \$1,909.64 in business machinery; and household and office furnishings valued at \$3,500. Of these items, only the \$950.00 in cash and \$738.86 in stock are clearly allowable, a total of \$1,688.86. This sum, when added to the two loans (which in the aggregate total \$21,000) and the \$22,100.00 in equipment credit, leaves the Traxlers with a total of \$44,788.86, against cash requirements of \$49,127.65, or a total of \$4,340.79 less than is required. It cannot be assumed that nonliquid assets (the equity in automobiles, business machines, and household and business furnishings) which the Traxlers themselves value at no more than \$7,148.64, will yield as much as \$4,340.79.³

studio technical equipment, \$3,360.00; land acquisition, \$5,100.00; buildings, \$7,000; other items, \$1,500. These figures total \$40,749. The applicant's total for these figures in its Apr. 16, 1962, amendment was \$39,450.

³ Only when the value of nonliquid assets is several times greater than the cash they are relied upon to yield may such assets be taken into account in determining, in connection with a petition to enlarge issues, an applicant's financial qualifications. See Martin Karig, 30 FCC 557, 21 R.R. 439 (1961); KWEN Broadcasting Company, FCC 64R-37; Massillon Broadcasting Co., Inc., FCC 61-1164, 22 R.R. 218; Springfield Television Corp., FCC 64R-243, 2 R.R. 2d 843.

¹ As noted in Publix Television Corp., et al. (FCC 60D-113, Mimeo No. 93495) and in Nelson Broadcasting Co., et al. (FCC 65D-11, Mimeo No. 65545) Section III of FCC Form 301 does not call for an estimate of processing costs and applications are processed both where such estimates are reflected in the application and where they are not included. In Publix Television Corp., supra, one applicant allocated a specific sum for such costs, the other applicants did not. The financial qualifications of all applicants were in issue. The Commission by decision of Apr. 29, 1964, granted the application of Coral Television Corp., one of the applicants which did not reflect in its application an estimate for processing costs as these costs were being met by advances from stockholders. Publix Television Corp., 2 R.R. 2d 481.

² Before the Review Board for consideration are: (1) A petition to enlarge issues, filed Feb. 17, 1965; (2) comments of the Broadcast Bureau, filed Mar. 3, 1965; and (3) an opposition to the petition, filed Mar. 22, 1965, by John N. Traxler and Alvera M. Traxler.

³ The application, as amended, states that the total construction costs amount to \$39,450.00. This is in error; the following construction costs are listed in the Apr. 16, 1962, amendment: Transmitter and tubes, \$12,950.00; antenna system, \$9,190.00; frequency and modulation monitors, \$1,649.00;

The only alleged asset not considered in the above analysis is \$3,000 held in escrow by the Chapman Company; however, the Traxlers have not shown that this sum is available to finance their proposed operation, and hence it cannot be relied upon as a source of funds.

4. In view of the factual analysis made above, an issue will be added to determine whether the Traxlers are financially qualified to construct their proposed station and operate it for a reasonable period of time without revenue.

SITE AVAILABILITY

5. With their application, the Traxlers submitted a "lease with Option to Purchase" their proposed transmitter site. This agreement was entered into by the Traxlers with Herbert L. Turner and his wife Florence A. Turner. Because this agreement has expired, the petitioner requests a site availability issue. In their opposition to this requested issue, the Traxlers state that "Mrs. Turner, who holds title to the land proposed by Traxler as transmitter site, is still ill following the sudden death of her husband", but that Mrs. Turner has notified the Traxlers by telephone that the site is still available. The Traxlers contend that it is not essential that a new agreement be filed, and that the petitioner has the burden of supporting its request for a site availability issue with a statement from the owner of the land that the site is no longer available.

6. It is not necessary that an applicant have a binding agreement with the owner of a proposed site in order to establish its availability for the purposes proposed. See *Suburban Broadcasting, Inc.*, FCC 60-169, 19 R.R. 956a; *Beacon Broadcasting System, Inc.*, FCC 61-684, 21 R.R. 727; *Eastside Broadcasting Co.*, FCC 63R-528, 1 R.R. 2d 763. However, the death of Herbert L. Turner presents questions which cannot readily be resolved by a mere statement that his widow owns the property and is willing to make it available to the Traxlers upon the terms originally agreed upon. Thus, apparently Mr. Turner died in February of 1965, and no information has been presented as to whether the administration of his estate has been completed. Under the circumstances, it is the Board's view that the assertion that Mrs. Turner now holds title to the property must be supported by something more than the Traxlers' statement to that effect. Accordingly, a site availability issue will be added.

SUBURBAN ISSUE

7. The Traxlers' original application specified Boca Raton, Fla., as the station location. They subsequently amended their application to specify Delray Beach as the station location, but did not make any corresponding amendment to their programming proposal. For this reason, the petitioner requests the addition of a Suburban issue. The Broadcast Bureau supports petitioner's request for this issue.

8. The Traxlers oppose the addition of a Suburban issue. They state that Boca Raton and Delray Beach are less than 10 miles apart, that the proposed signal would encompass both communi-

ties, that it was always their intention to serve the entire south Palm Beach County area, that the transmitter site is nearer to Delray Beach than to Boca Raton, and that John Traxler is familiar with the Delray Beach area. In support of this last contention, the Traxlers submit a letter from the executive editor of Palm Beach newspapers stating that John Traxler, as a free-lance writer, has written "many articles" for these newspapers concerning "various Palm Beach County areas and activities" since 1963, that these articles include "articles covering Delray Beach and the surrounding south county area", and that his articles have shown "a good understanding and concern for that area and its people." Also submitted is a letter from an associate county agricultural agent to the effect that he has had contact with John Traxler "on several occasions regarding news articles concerning the agriculture industry in and around Delray Beach area." Also attached to the opposition is an affidavit by John Traxler in which he states that (a) he and his wife have been residents of the south Palm Beach County area since 1963; (b) they "studied" Delray Beach and the surrounding area "closely"; (c) since 1961, when they began searching for a location for a radio station, they began "familiarizing" themselves with "Delray Beach and Boca Raton and their general area that has a great deal in common as an important agricultural center"; (d) they have had children enrolled in Boca Raton high school and now have a child enrolled in a high school in Delray Beach; (e) they live within 6 miles of Delray Beach; (f) John Traxler's work as a writer brought him into close association with "officials having responsibility in the area", e.g., County Agricultural Agent's Office, Sheriff's Department, Florida Highway Patrol, the Central and Southern Flood Control District, and "individual business owners." Traxler concludes his affidavit by stating that "previous study and constant attention to Delray Beach, county areas, plans and goals for the new schools coming into being gave him sound basis for his proposed programming and verified it even more strongly for Delray Beach," which in 1964 had a population of 15,200 and a trade area with a population of 50,000 persons.

9. In *Lindsay Broadcasting Co.*, 61-1497, 22 R.R. 805, the Commission stated that identity of programming proposals for different communities raises a substantial question as to "whether, or the extent to which programming proposals have been tailored to meet the needs of an area proposed to be served." In essence, it appears to be the Traxlers' position that they are familiar with Delray Beach and the area they propose to serve. They have not, however, alleged that the specific needs of Delray Beach would be met by appropriate changes in the content of any of the specific programs which they proposed in their application for Boca Raton. In this connection, see *Community Services Broadcasters, Inc.*, FCC 62-15, 22 R.R. 814. Nor have the Traxlers made an adequate showing to support their generalized assertion that the communities of Delray Beach and Boca Raton are similar com-

munities, so that identical programming would adequately meet the needs of either community. In the absence of such a showing, together with the fact that at the time the program proposals were originally filed the station location was Boca Raton and not Delray Beach,⁴ it is, in the Board's judgment, necessary to add a Suburban issue.

STAFF ISSUE

10. The petitioner requests the addition of an issue to determine the adequacy of the Traxlers' staffing proposal. In support of this request, petitioner alleges that the Traxlers propose approximately 12 percent live programming, and propose a staff of only four persons. The Bureau supports the request. In opposition, the Traxlers indicate that in addition to the two staff members, they would likewise participate in the operation of the station. They also state that in presenting live programming, they will utilize the contacts made by them during their residency in the Delray Beach area.

11. The requested staff issue will be added. The Traxlers propose to broadcast 105 hours per week, of which 12 percent will be live programming. This raises serious questions as to the ability of the Traxlers to effectuate their programming proposal. See *John E. Grant*, FCC 62-409, 23 R.R. 461.

Accordingly, it is ordered, This 26th day of May 1965, That the petition to enlarge issues, filed February 17, 1965, by Boca Broadcasters, Inc., is granted, and that the issues in this proceeding are enlarged by the addition of the following issues:

1. To determine whether the applicant, John N. Traxler and Alvera M. Traxler, is financially qualified to construct and operate its proposed station for a reasonable period of time without revenue;

2. To determine whether the applicant, John N. Traxler and Alvera M. Traxler, has reasonable assurance of being able to secure its proposed transmitter site;

3. To determine what efforts have been made by the applicant, John N. Traxler and Alvera M. Traxler, to determine the programming needs of the community and area it proposes to serve and the manner in which it proposes to meet such needs.

4. To determine whether the staff proposed by John N. Traxler and Alvera M. Traxler would be adequate to

⁴ The factual allegations before us in this proceeding are substantially different from those made in *Bootheel Broadcasting Co.*, 62R-47, 24 R.R. 292. In *Bootheel*, substantially the same programming was proposed as had previously been proposed for another community. However, the programming proposals in *Bootheel* were made upon the basis of area familiarity and contacts in the community, and the applicant concluded that the community needs would be met by programming like that proposed in the earlier application for another community. In the instant proceeding, however, it appears that the programming proposed for Delray Beach was not decided upon after a careful weighing of Delray Beach's needs, but was, instead, carried over to Delray Beach when the application was amended to specify Delray Beach as the principal community.

operate their station as proposed in their application.

Released: May 27, 1965.

FEDERAL COMMUNICATIONS
COMMISSION,

[SEAL] BEN F. WAPLE,
Secretary.

[P.R. Doc. 65-5718; Filed, June 1, 1965;
8:48 a.m.]

[Docket Nos. 15967, 15968; FCC 65M-673]

WAYNESBORO BROADCASTING CORP. AND WANV, INC.

Order Continuing Hearing

In re applications of Waynesboro Broadcasting Corp., Waynesboro, Va., Docket No. 15967, File No. BPH-4533; WANV, Inc., Waynesboro, Va., Docket No. 15968, File No. BPH-4613; for construction permits.

It is ordered, This 25th day of May 1965, that the hearing in the above-styled proceeding presently scheduled to commence on June 11, 1965, is hereby continued to a date to be fixed at the further session of the prehearing conference now scheduled for July 20, 1965, at 10 a.m.

Released: May 26, 1965.

FEDERAL COMMUNICATIONS
COMMISSION,

[SEAL] BEN F. WAPLE,
Secretary.

[P.R. Doc. 65-5719; Filed, June 1, 1965;
8:48 a.m.]

FEDERAL POWER COMMISSION

[Project No. 2512]

UNION CARBIDE CORP.

Notice of Application for License for Constructed Project

MAY 25, 1965.

Public notice is hereby given that application has been filed under the Federal Power Act (16 U.S.C. 791a-825r) by Union Carbide Corp. (correspondence to: Mr. John F. Shanklin, Secretary, Union Carbide Corp., 270 Park Avenue, New York, N.Y., 10017), for a license for constructed Project No. 2512, known as the Hawks Nest Development located near the town of Gauley Bridge, and the Glen Ferris Development at the town of Glen Ferris both in Fayette County, W. Va.

This application involves an overall project consisting of two developments which has already been constructed but not licensed pursuant to the Federal Power Act. The existing Hawks Nest Development consists of: (1) A dam with an overall length of 948 feet containing a main spillway section, a trash spillway, and abutment structures; (2) the main ogee spillway containing 14 crest gates 25 feet high and 50 feet wide; (3) a reservoir about 570 feet wide and 3.65

miles long operated between elevations 820 and 815 feet; (4) a gated intake; (5) a circular tunnel 16,240 feet long leading to an intermediate surge tank, a steel differential surge tank, and a penstock system; (6) a powerhouse containing four turbines, with a total capacity of 140,000 hp, directly connected to four generators, with a total capacity of 102,000 kw; (7) a substation; and (8) appurtenant electrical and mechanical facilities. The existing Glen Ferris Development consists of: (1) A concrete dam about 3 to 12 feet high and approximately 2,850 feet long containing a wooden stop log section, three wooden removable trash spillway stop log sections, and two wooden stop log sluices in the base of the dam; (2) a reservoir of approximately 397 acres; (3) a trash boom 910 feet long; (4) two intakes; (5) two open flumes; (6) an "old" west powerhouse equipped with six turbines connected to six generators and a "new" east powerhouse equipped with two turbines connected to two generators (both powerhouses having a combined capacity of 5,450 kw.); (7) a substation; (8) a converter house containing a frequency changer; and (9) appurtenant electrical and mechanical facilities.

Protests or petitions to intervene may be filed with the Federal Power Commission, Washington, D.C., 20426, in accordance with the rules of practice and procedure of the Commission (18 CFR 1.8 or 1.10). The last day upon which protests or petitions may be filed is July 19, 1965. The application is on file with the Commission for public inspection.

JOSEPH H. GUTRIDE,
Secretary.

[P.R. Doc. 65-5688; Filed, June 1, 1965;
8:46 a.m.]

[Docket Nos. G-2557 etc.]

COASTAL STATES GAS PRODUCING CO. ET AL.

Findings and Order

MAY 21, 1965.

Coastal States Gas Producing Co. (successor to Orange Grove Gas Gathering Co.) and other applicants listed herein, Docket Nos. G-2557, et al.; findings and order after statutory hearing issuing certificates of public convenience and necessity, amending certificates, permitting and approving abandonment of service, terminating certificates, substituting respondent, making successors correspondents, redesignating proceedings, accepting agreements and undertakings for filing, requiring filing of agreements and undertakings, accepting related rate schedules and supplements for filing.

Each of the Applicants listed herein has filed an application pursuant to section 7 of the Natural Gas Act for a certificate or public convenience and necessity authorizing the sale and delivery of natural gas in interstate commerce, for permission and approval to abandon service, or a petition to amend an existing certificate authorization, all as more fully described in the respective applications and petitions (and any supple-

ments or amendments thereto) which are on file with the Commission.

The Applicants herein have filed related FPC Gas Rate Schedules and propose to initiate or abandon, add or delete natural gas service in interstate commerce as indicated by the tabulation herein. All sales certificated herein are either equal to or below the ceiling prices established by the Commission's Statement of Policy 61-1, as amended or involve sales for which permanent certificates have been previously issued.

Coastal States Gas Producing Co., Applicant in Docket No. G-2557, proposes to continue the sale of natural gas heretofore authorized in said docket and made pursuant to Orange Grove Gas Gathering Co. FPC Gas Rate Schedule No. 1. The presently effective rate under said rate schedule is in effect subject to refund in Docket No. G-19936¹. Applicant has filed a motion to be substituted as respondent in said proceeding together with an agreement and undertaking to assure the refund of any amount collected in excess of the amount determined to be just and reasonable in said proceeding. Accordingly, Applicant will be substituted in lieu of Orange Grove as respondent, the proceeding will be redesignated, and the agreement and undertaking will be accepted for filing.

Pan American Petroleum Corp. as agent for Irving D. Isko has filed an application in Docket No. G-11564 to amend the certificate issued in said docket to Prentice Development Corp., among others, by substituting Irving D. Isko in lieu of Prentice as a certificate holder. Pan American also requests that Prentice's FPC Gas Rate Schedule No. 1 be redesignated as that of Isko. The effective rate under said rate schedule at the time of the assignment, June 1, 1961, was in effect subject to refund in Docket No. G-17059². Pan American has requested that Isko be made a correspondent in said proceeding, and Isko has submitted an agreement and undertaking to assure the refund of any amounts collected by him in excess of the amounts determined to be just and reasonable in said proceeding. Accordingly, Isko will be made a correspondent in the proceeding pending in Docket No. G-17059, and the agreement and undertaking will be accepted for filing.

James W. Harris (Operator), et al., Applicant in Docket No. C165-807, proposes to continue in part sales of natural gas authorized in, inter alia, Docket Nos. G-6170 and G-6274 and made pursuant to Superior Oil Co. FPC Gas Rate Schedule No. 20 and Tidewater Oil Co. FPC Gas Rate Schedule No. 68, respectively. Applicant has filed his predecessors' contracts as his own rate schedules. The presently effective rates under said rate schedules are in effect subject to refund in Docket Nos. G-14106 (Superior) and RI64-762 (Tidewater). Accordingly, applicant will be made correspondent in each of said proceedings, said proceedings will be redesignated, and Applicant will be required to file agreements and

¹ Consolidated with Docket No. AR64-2, et al.

² Consolidated with Docket No. AR61-1, et al.

³ Board Members Nelson and Kessler abstaining.

undertakings to assure the refund of any amounts collected by him in excess of the amounts determined to be just and reasonable in said proceedings.

After due notice, no petitions to intervene, notices of intervention, or protests to the granting of any of the respective applications or petitions in this order have been received.

At a hearing held on May 20, 1965, the Commission on its own motion received and made a part of the record in these proceedings all evidence including the applications, amendments and exhibits thereto, submitted in support of the respective authorizations sought herein, and upon consideration of the record.

The Commission finds:

(1) Each Applicant herein is a "natural-gas company" within the meaning of the Natural Gas Act as heretofore found by the Commission or will be engaged in the sale of natural gas in interstate commerce for resale for ultimate public consumption, subject to the jurisdiction of the Commission, and will, therefore, be a "natural-gas company" within the meaning of said Act upon the commencement of the service under the respective authorizations granted hereinafter.

(2) The sales of natural gas hereinbefore described, as more fully described in the respective applications, amendments and/or supplements herein, will be made in interstate commerce, subject to the jurisdiction of the Commission, and such sales by the respective Applicants, together with the construction and operation of any facilities subject to the jurisdiction of the Commission necessary therefor, are subject to the requirements of subsections (c) and (e) of section 7 of the Natural Gas Act.

(3) The sales of natural gas by the respective Applicants, together with the construction and operation of any facilities subject to the jurisdiction of the Commission necessary therefor, are required by the public convenience and necessity and certificates therefor should be issued as hereinafter ordered and conditioned.

(4) The respective Applicants are able and willing properly to do the acts and to perform the services proposed and to conform to the provisions of the Natural Gas Act and the requirements, rules and regulations of the Commission thereunder.

(5) It is necessary and appropriate in carrying out the provisions of the Natural Gas Act and the public convenience and necessity require that the certificate authorizations heretofore issued by the Commission in Docket Nos. G-2557, G-3105, G-3146, G-6170, G-6274, G-7177, CI61-1281, CI62-358, CI62-880, CI63-555, CI64-516, and CI64-1506 should be amended as hereinafter ordered.

(6) That any rate adjustment made in Docket No. CI65-991 based upon the processing of the subject gas for removal of helium or nitrogen, Applicant should be required to make a rate change filing pursuant to section 4(d) of the Natural Gas Act.

(7) The sales of natural gas proposed to be abandoned by the respective Appli-

cants, as hereinbefore described, all as more fully described in the tabulation herein and in the respective applications, are subject to the requirements of subsection (b) of section 7 of the Natural Gas Act, and such abandonments should be permitted and approved as hereinafter ordered.

(8) The certificates of public convenience and necessity heretofore issued to the respective Applicants herein relating to the abandonments hereinafter permitted and approved should be terminated.

(9) It is necessary and appropriate in carrying out the provisions of the Natural Gas Act that Coastal States Gas Producing Co. should be substituted in lieu of Orange Grove Gas Gathering Co. as respondent in the proceeding pending in Docket No. G-19936, that said proceeding should be redesignated accordingly, and that the agreement and undertaking submitted by Coastal States should be accepted for filing.

(10) It is necessary and appropriate in carrying out the provisions of the Natural Gas Act that Irving D. Isko should be made a correspondent in the proceeding pending in Docket No. G-17059, and that the agreement and undertaking submitted by him in said proceeding should be accepted for filing.

(11) It is necessary and appropriate in carrying out the provisions of the Natural Gas Act that James W. Harris (Operator), et al., should be made correspondent in the proceeding pending in Docket Nos. G-14106 and RI64-762, that said proceedings should be redesignated accordingly, and that Harris should be required to file agreements and undertakings.

(12) The respective related rate schedules and supplements as designated or redesignated in the tabulation herein should be accepted for filing as hereinafter ordered.

The Commission orders:

(A) Certificates of public convenience and necessity be and the same are hereby issued, upon the terms and conditions of this order, authorizing the sales by the respective Applicants herein of natural gas in interstate commerce for resale, together with the construction and operation of any facilities subject to the jurisdiction of the Commission necessary for such sales, all as hereinbefore described and as more fully described in the respective applications, amendments supplements and exhibits in this proceeding.

(B) The certificates granted in paragraph (A) above are not transferable and shall be effective only so long as Applicants continue the acts or operations hereby authorized in accordance with the provisions of the Natural Gas Act and the applicable rules, regulations and orders of the Commission.

(C) The grant of the certificates issued in paragraph (A) above shall not be construed as a waiver of the requirements of section 4 of the Natural Gas Act or of Part 154 or Part 157 of the Commission's regulations thereunder, and is without prejudice to any findings or orders which have been or may here-

after be made by the Commission in any proceeding now pending or hereafter instituted by or against the respective Applicants. Further, our action in this proceeding shall not foreclose nor prejudice any future proceedings or objections relating to the operation of any price or related provisions in the gas purchase contracts herein involved. Nor shall the grants of the certificates aforesaid for service to the particular customers involved imply approval of all of the terms of the respective contracts, particularly as to the cessation of service upon termination of said contracts, as provided by section 7(b) of the Natural Gas Act. Nor shall the grant of the certificates aforesaid be construed to preclude the imposition of any sanctions pursuant to the provisions of the Natural Gas Act for the unauthorized commencement of any sales of natural gas subject to said certificates.

(D) Applicant in Docket No. CI65-988 is hereby required to submit an estimated billing statement for the first month of service.

(E) The certificate authorizations heretofore issued to the respective Applicants in Docket Nos. CI61-1281, CI64-516, and CI64-1506 are hereby amended by adding thereto authorization to sell natural gas to the same purchasers and in the same areas as covered by the original authorizations, pursuant to the rate schedule supplements as indicated in the tabulation herein.

(F) The authorization granted in paragraph (E) above in Docket No. CI61-1281 is subject to the conditions set forth in paragraphs (C), (D), and (E) of the order accompanying Opinion No. 353 (27 FPC 449).

(G) The authorization granted in paragraph (E) above in Docket No. CI64-516 is subject to the conditions set forth in paragraphs (E), (F), and (G) of the order accompanying Opinion No. 350 (27 FPC 35).

(H) The certificates heretofore issued in Docket Nos. G-3105, G-3146, G-6170, and G-6274 are hereby amended by deleting therefrom authorization granted herein in Docket No. CI65-807.

(I) The certificates heretofore issued in Docket Nos. G-7177, CI62-358 and CI63-555 are hereby amended by deleting therefrom authorization granted herein in Docket Nos. CI65-808, CI65-988, and CI65-883.

(J) The certificates heretofore issued in Docket Nos. G-2557 and CI62-880 are hereby amended by changing the certificate holders to the respective successors in interest as indicated in the tabulation herein.

(K) Permission for and approval of the abandonment of service by the respective Applicants, as hereinbefore described and as more fully described in the respective applications herein are hereby granted.

(L) The certificates heretofore issued in Docket Nos. G-10231, G-12906, G-17489, CI61-86, CI61-611, and CI63-1170 are hereby terminated.

(M) Coastal States Gas Producing Co. be and it is hereby substituted in lieu of Orange Grove Gas Gathering Co. as

respondent in the proceeding pending in Docket No. G-19936, said proceeding is redesignated accordingly,³ and the agreement and undertaking submitted by Coastal States is accepted for filing.

(N) Irving D. Isko be and he is hereby made a correspondent in the proceeding pending in Docket No. G-17059, said proceeding is redesignated accordingly,⁴ and the agreement and undertaking submitted by him in said proceeding is accepted for filing.

(O) James W. Harris (Operator), et al., be and is hereby made a correspondent in the proceedings pending in Docket Nos. G-14106 and RI64-762, and said proceedings are redesignated accordingly.⁵

(P) Within 30 days from the issuance of this order James W. Harris (Operator), et al., shall execute, in the form set out below,⁶ and shall file with the Secretary of the Commission acceptable agreements and undertakings in Docket Nos. G-14106 and RI64-762 to assure the refunds of any amounts, together with interest at the rates of 6 (Docket No. G-14106) and 7 (Docket No. RI64-762) percent per annum, collected by him for sales of natural gas authorized in Docket No. CI65-807 from properties acquired from The Superior Oil Co. (Operator), et al., and Tidewater Oil Co., in excess of the amounts determined to be just and reasonable in said proceedings. Unless notified to the contrary by the Secretary of the Commission within 30 days from the date of submission, such agreements and undertakings shall be deemed to have been accepted for filing.

(Q) Parties herein made respondents in the proceedings pending in Docket Nos. G-14106, G-17059, G-19936, and RI64-762 shall comply with the refunding and reporting procedure required by the Natural Gas Act and § 154.102 of the regulations thereunder, and the agreements and undertakings filed in said dockets by said respondents shall remain in full force and effect until discharged by the Commission.

(R) The respective related rate schedules and supplements as indicated in the tabulation herein, are hereby accepted for filing; further, the rate schedules relating to the successions herein are hereby redesignated and accepted, subject to the applicable Commission regulations under the Natural Gas Act to be effective on the dates indicated in the tabulation herein.

By the Commission.

[SEAL] JOSEPH H. GUTRIDE,
Secretary.

³ Coastal States Gas Producing Co.

⁴ Due to the large number of respondents the proceeding pending in Docket No. G-17059 will continue to be referred to as Pan American Petroleum Corp. (Operator), although the records of the Commission will be changed to reflect the addition of Irving D. Isko as a respondent.

⁵ Docket No. G-14106, The Superior Oil Co. (Operator), et al. and James W. Harris (Operator), et al.; Docket No. RI64-762, Tidewater Oil Co. and James W. Harris (Operator), et al.

⁶ Form filed as part of original document.

Docket No. and date filed	Applicant	Purchaser, field, and location	FPC rate schedule to be accepted		
			Description and date of document	No.	Supp.
G-2557. E 3-24-65	Coastal States Gas Producing Co. (successor to Orange Grove Gas Gathering Co.).	Natural Gas Pipeline Co. of America, Orange Grove Field, Jim Wells County, Tex.	Orange Grove Gas Gathering Co., FPC GRS No. 1. Supplement Nos. 1-12. Notice of Succession 3-24-65. Article of dissolution 6-28-62. Effective date: 6-28-62. Assignment 1-15-65. ^{1,2}	55 55 55 120	1-12 13 5
G-3105. D 3-1-65	Humble Oil & Refining Co. (Operator), et al.	Southern Natural Gas Co., Gwinville Field, Jefferson Davis, and Simpson Counties, Miss.	Assignment 1-11-65. ^{1,2}	11	7
G-6170. D 4-1-65	The Superior Oil Co.	Southern Natural Gas Co., Gwinville Field, Jefferson Davis County, Miss.	Prentice Development Corp., FPC GRS No. 1. Supplement No. 1. Notice of succession 12-21-62. Assignment 6-8-61. Amendatory agreement: 2-17-65. ^{1,2}	1 1 322	1 2 9
G-11564. E 12-26-62	Pan American Petroleum Corp. (Operator). Irving D. Isko (successor to Prentice Development Corp.).	Northern Natural Gas Co., Prentice Gasoline Plant, Yoakum County, Tex.	John R. Robinson, et al., d.b.a. Chlorides Bennett, et al., No. 1, FPC GRS No. 1. Notice of succession 3-5-65. Supplemental agreement 5-15-64. ^{1,2} Effective date: 5-15-64. Contract 4-11-63. Amendment 4-9-63. ^{1,2}	5 5 7 7	1 1 1 1
CI61-3281. C 4-7-65	Socony Mobil Oil Co., Inc. (Operator), et al.	Michigan Wisconsin Pipe Line Co., Cedardale Field, Woodward County, Okla.	Amendatory agreement: 2-23-65.	24	3
CI62-680. E 3-8-65	A. R. Jackson, et al., d.b.a. Chlorides Bennett, et al., No. 1 (successor to John R. Robinson, et al., d.b.a. Chlorides Bennett, et al., No. 1).	Consolidated Gas Supply Corp., De Kalb district, Gilmer County, W. Va.	Contract 6-23-64. ^{1,2} Assignment 1-16-64. ^{1,2} Effective date: 1-16-64. Supplemental agreement 3-8-65. ^{1,2}	1 1 397	1 1 1
CI64-68. A 7-16-63	H. J. Mosser	The Altex Corp., Tom Graham Field, Jim Wells County, Tex.	Contract 7-23-57. ^{1,2} Amendment 3-14-60. Amendment 7-1-64. ^{1,2} Assignment 1-15-65. ^{1,2} Contract 11-12-57. ^{1,2} Notice of change 11-12-57. Amendment 6-3-60. Letter agreement 6-3-60. Notice of change 5-3-62. ^{1,2} Notice of change 5-8-64. ^{1,2} Assignment 12-30-64. ^{1,2} Contract 4-12-61. ^{1,2} Amendment 5-17-64. Notice of change 11-5-67. Assignment 1-11-65. ^{1,2} Contract 11-7-57. ^{1,2} Amendment 3-25-60. Letter agreement 8-23-61. Letter agreement 5-26-61. Notice of change 2-25-64. Assignment 1-18-65. ^{1,2} Contract 1-4-65. ^{1,2} Assignment 5-25-64. ^{1,2}	1 1 1 1 2 2 2 2 2 3 3 3 4 4 4 4 4 5 5	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
CI64-516. C 3-25-65	Tenneco Oil Co., ^{1,2}	Panhandle Eastern Pipe Line Co., Northeast Trail Field, Dewey County, Okla.	United Gas Pipe Line Co., Pistol Ridge Field, Forrest County, Miss.	1 1	1 1
A CI64-1319. (G-13633) ^{1,2} F 5-1-64	LaRoe-Smith Production Co.	El Paso Natural Gas Co., Gallup Field, San Juan County, N. Mex.	Contract 7-23-57. ^{1,2} Amendment 3-14-60. Amendment 7-1-64. ^{1,2} Assignment 1-15-65. ^{1,2} Contract 11-12-57. ^{1,2} Notice of change 11-12-57. Amendment 6-3-60. Letter agreement 6-3-60. Notice of change 5-3-62. ^{1,2} Notice of change 5-8-64. ^{1,2} Assignment 12-30-64. ^{1,2} Contract 4-12-61. ^{1,2} Amendment 5-17-64. Notice of change 11-5-67. Assignment 1-11-65. ^{1,2} Contract 11-7-57. ^{1,2} Amendment 3-25-60. Letter agreement 8-23-61. Letter agreement 5-26-61. Notice of change 2-25-64. Assignment 1-18-65. ^{1,2} Contract 1-4-65. ^{1,2} Assignment 5-25-64. ^{1,2}	1 1 1 1 2 2 2 2 2 3 3 3 4 4 4 4 4 5 5	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
CI64-1506. C 4-8-65	Pan American Petroleum Corp. (Operator), et al.	Southern Natural Gas Co., Gwinville Field, Jefferson Davis County, Miss.	Assignment 1-18-65. ^{1,2} Contract 1-4-65. ^{1,2} Assignment 5-25-64. ^{1,2}	1 1 5	1 1 1
A CI65-807. (G-3105) F 1-28-65 2-15-65 ^{1,2}	James W. Harris (Operator), et al.	United Gas Pipe Line Co., Gwinville Field, Jefferson Davis County, Miss.	Contract 10-16-62. ^{1,2} Assignment 5-10-64. ^{1,2} Assignment 5-20-64. ^{1,2} Assignment 5-21-64. ^{1,2} Assignment 5-22-64. ^{1,2} Assignment 11-12-64. ^{1,2} Assignment 11-12-64. ^{1,2} Assignment 11-12-64. ^{1,2} Assignment 11-12-64. ^{1,2} Assignment 12-28-64. ^{1,2} Assignment 12-30-64. ^{1,2} Effective date: 10-1-64.	34 34 34 34 34 34 34 34 34 34 34 34	1 1 1 1 1 1 1 1 1 1 1 10
CI65-807. (G-6274)					
CI65-807. (G-6170)					
CI65-807. (G-3146)					
A CI65-808. (G-7177) F 2-15-65	James W. Harris (Operator), et al.	United Gas Pipe Line Co., Gwinville Field, Jefferson Davis County, Miss.	Contract 10-16-62. ^{1,2} Assignment 5-10-64. ^{1,2} Assignment 5-20-64. ^{1,2} Assignment 5-21-64. ^{1,2} Assignment 5-22-64. ^{1,2} Assignment 11-12-64. ^{1,2} Assignment 11-12-64. ^{1,2} Assignment 11-12-64. ^{1,2} Assignment 11-12-64. ^{1,2} Assignment 12-28-64. ^{1,2} Assignment 12-30-64. ^{1,2} Effective date: 10-1-64.	34 34 34 34 34 34 34 34 34 34 34 34	1 1 1 1 1 1 1 1 1 1 1 10
A CI65-883. (CI63-555) F 3-8-65	Forest Oil Corp.	Texas Eastern Transmission Corp., Dallas Husky Field, Goliad County, Tex.			

Filing code: A—Initial service.
B—Abandonment.
C—Amendment to add acreage.
D—Amendment to delete acreage.
E—Succession.
F—Partial succession.

Footnotes at end of table.

Through the above filings Pacific Transmission seeks authorization to acquire an additional volume of approximately 200,000 Mcf of natural gas from Canada and to transport this gas to California. Pacific Transmission also seeks authorization to sell this gas at the Oregon-California border to Pacific Gas and Electric Co. (P. G. and E.) and the latter company intends to resell and distribute this gas to its customers in northern and central California. The natural gas proposed to be imported will be purchased from producers in Alberta by Alberta and Southern Gas Co., Ltd. (Alberta and Southern) and transported by Alberta Gas Trunk Line Co., Ltd. to a designated point in Alberta near the Alberta-British Columbia boundary. At this point the gas will be delivered to Alberta Natural Gas Co. The latter company will then transport the gas to a specified location on the international boundary between the United States and Canada in the vicinity of Kingsgate, British Columbia, where it will be purchased by Pacific Transmission from Alberta and Southern. Pacific Transmission upon receipt of the gas will transport it to the Oregon-California border for resale to P. G. and E.

Pacific Transmission is currently purchasing approximately 400,000 Mcf of natural gas per day from Alberta and Southern. The proposed additional volume herein consists of approximately an additional 200,000 Mcf per day, with deliveries of 100,000 Mcf to commence on or about November 1, 1966, and deliveries of the full 200,000 Mcf to commence on or about November 1, 1967.

In order to carry out the above proposals, Pacific Transmission seeks authorization to construct, install, and operate: (1) 8,250 additional horsepower of compression at its compressor station No. 4 near Sandpoint, Idaho; (2) a new 10,000 installed horsepower compressor station No. 6 near Rosalia, Wash.; (3) a new 10,000 installed horsepower compressor station No. 9, near Ione, Oreg.; (4) a new 16,000 installed horsepower compressor station, No. 11, near Madras, Oreg.; (5) a new 8,000 installed horsepower compressor station, No. 14, near Bonanza, Oreg.; (6) additional metering facilities at the existing meter station on the Oregon-California border; (7) a maintenance base near Condon, Oreg.; (8) a gas control computer in its office building in Spokane, Wash.; and (9) a change of impellers at its stations Nos. 8 and 13, near Walla Walla, Wash., and Diamond Junction, Oreg., respectively.

The estimated cost of Pacific Transmission's proposed construction is \$13,857,000, and will be financed with cash currently on hand and cash to be generated from operations in the years 1964 through 1967.

Petitions seeking leave to intervene in these proceedings were filed as follows:

Petitioner	Date of filing
El Paso Natural Gas Co.	Feb. 15, 1965
Texas Independent Producers and Royalty Owners Association	Do.
Permian Basin Petroleum Association	Do.
West Central Texas Oil and Gas Association	Do.

Petitioner	Date of filing
California Gas Producers Association	Feb. 15, 1965
Jade Oil and Gas Co.	Do.
Independent Petroleum Association of America	Feb. 16, 1965

Notices of intervention were filed in these proceedings by the People of the State of California and the Public Utilities Commission of the State of California on March 1, 1965, and May 3, 1965, respectively. The Washington Utilities and Transportation Commission on February 15, 1965; The Idaho Public Utilities Commission on May 7, 1965, and the Public Utility Commission of Oregon on May 3, 1965.

It appears appropriate from the above facts that these proceedings should be set for formal hearing and that they should be consolidated for purposes of such hearing.

In order to assure that the issues and related matters framed by the filings to the aforementioned proceedings are expeditiously heard, the Commission will require that the Applicant, Pacific Transmission, serve its prepared testimony on all the parties to these proceedings on or before June 21, 1965. In the event that any intervenor or the Commission's staff desires to file answering testimony to Pacific Transmission's direct presentation, they shall serve such testimony upon all of the parties on or before July 15, 1965.

The Commission is of the opinion that a prehearing conference held before the formal hearing will prove beneficial to all the parties and tend to expedite the hearing phase of these proceedings once it has commenced. The Commission will therefore require a prehearing conference be held with respect to the aforementioned proceedings on July 22, 1965.

The Commission finds:

(1) It appears that the participation in these proceedings by each of the above-named petitioners seeking intervention may be in the public interest.

(2) It appears that the scheduling of a prehearing conference prior to the formal hearing may be in the public interest.

The Commission orders:

(A) Each of the above-mentioned petitioners is hereby permitted to intervene in these proceedings subject to the rules and regulations of the Commission: *Provided, however*, That the participation of such interveners shall be limited to matters affecting asserted rights and interests specifically set forth in the petitions to intervene; and, *Provided, further*, That the admission of such interveners shall not be construed as recognition by the Commission that they or any of them might be aggrieved by any order or orders entered in these proceedings.

(B) A prehearing conference be convened in the proceedings entitled Pacific Gas Transmission Co., et al., Docket Nos. CP65-213, et al. in a hearing room of the Federal Power Commission, 441 G Street NW., Washington, D.C., on July 22, 1965, at 10 a.m. e.d.s.t. The Chief Examiner will designate an appropriate officer of the Commission to preside at the prehearing conference and at the formal hearing of these matters, pursuant to the Commission's rules of practice and procedure.

(C) The direct testimony to be presented by Pacific Gas Transmission Co. be served upon all of the parties to these proceedings by June 21, 1965. Any party desiring to file answering testimony to Pacific Gas Transmission Co.'s direct presentation shall serve such answering testimony upon all of the parties on or before July 15, 1965.

By the Commission:

[SEAL] JOSEPH H. GUTRIDE,
Secretary.

[F.R. Doc. 65-5687; Filed, June 1, 1965;
8:46 a.m.]

HOUSING AND HOME FINANCE AGENCY

Office of the Administrator

ACTING REGIONAL DIRECTOR OF URBAN RENEWAL, REGION I (NEW YORK)

Designation

The officers named below or appointed to the following listed positions in Region I (New York) are hereby designated to serve as Acting Regional Director of Urban Renewal, Region I, during the absence of the Regional Director of Urban Renewal, with all the powers, functions, and duties redelegated or assigned to the Regional Director of Urban Renewal, provided that no officer is authorized to serve as Acting Regional Director of Urban Renewal unless all other officers whose name or titles precede his in this designation are unable to act by reason of absence:

1. Deputy Regional Director of Urban Renewal.
2. Robert LaPlante, Assistant Chief, Operations Branch.
3. Chief, Fiscal Management Branch.
4. Assistant Regional Director for Special Programs.

This designation supersedes the designation effective October 26, 1964 (29 F.R. 15271, November 13, 1964).

(Housing and Home Finance Administrator's delegation effective May 4, 1962 (27 F.R. 4319, May 4, 1962))

Effective as of the 19th day of May 1965.

[SEAL] LESTER EISNER, Jr.,
Regional Administrator,
Region I.

[F.R. Doc. 65-5707; Filed, June 1, 1965;
8:47 a.m.]

SECURITIES AND EXCHANGE COMMISSION

[File No. 70-4281]

COLUMBIA GAS SYSTEM, INC.

Notice of Proposed Issuance of Short-Term Notes to Banks

MAY 26, 1965.

Notice is hereby given that The Columbia Gas System, Inc. ("Columbia"), 120 East 41st St., New York, N.Y., 10017, a

registered holding company, has filed a declaration with this Commission pursuant to the Public Utility Holding Company Act of 1935 ("Act") designating sections 6(a) and 7 thereof as applicable to the proposed transactions. All interested persons are referred to the declaration, on file at the office of the Commission, for a statement of the transactions therein proposed which are summarized below.

To provide funds for five of its subsidiary companies to purchase inventory gas for storage, Columbia proposes to issue from time to time on or before October 15, 1965, unsecured short-term notes to a group of commercial banks, for whom Morgan Guaranty Trust Co. of New York will act as clearing agent, in an aggregate face amount not to exceed \$80,000,000. A proposal to make open account advances to said five subsidiary companies for inventory gas is the subject of a separate filing with this Commission (See File No. 70-4261). Columbia's notes are to mature as follows: \$25,000,000 on February 28, 1966, \$25,000,000 on March 31, 1966, and \$30,000,000 on April 29, 1966. The notes will be dated as of the date of issuance, are to bear interest at the current prime rate of 4½ percent per annum, and may be prepaid, on 5 days notice, in whole or in part in order of maturity, without penalty, except that prepayments cannot be made with funds borrowed from banks at a lower interest rate. Each borrowing is to be apportioned among all banks in accordance with the participation of each in the total credit. The names of the banks and the maximum participation of each bank are indicated below:

Bankers Trust Co., New York City	\$3,900,000
Brown Brothers, Harriman & Co., New York City	750,000
Central National Bank of Cleveland, Cleveland, Ohio	200,000
Chemical Bank New York Trust Co., New York City	10,140,000
City National Bank and Trust Co., Columbus, Ohio	1,000,000
First-City National Bank of Binghamton, Binghamton, N.Y.	120,000
First & Merchants National Bank of Richmond, Richmond, Va.	450,000
First National Bank of Mansfield, Mansfield, Ohio	200,000
First Security National Bank and Trust Co., Lexington, Ky.	450,000
Glen National Bank, Watkins Glen, N.Y.	50,000
Huntington National Bank of Columbus, Columbus, Ohio	1,600,000
Irving Trust Co., New York City	3,900,000
Manufacturers Hanover Trust Co., New York City	5,900,000
Mellon National Bank and Trust Co., Pittsburgh, Pa.	7,400,000
Morgan Guaranty Trust Co. of New York, New York City	27,580,000
Pittsburgh National Bank, Pittsburgh, Pa.	2,200,000
The Charleston National Bank, Charleston, W. Va.	1,000,000
The Cleveland Trust Co., Cleveland, Ohio	1,300,000
The First Huntington National Bank, Huntington, W. Va.	500,000
The First National City Bank of New York, New York City	5,900,000

The National Bank of Toledo, Toledo, Ohio	\$300,000
The National City Bank of Cleveland, Cleveland, Ohio	400,000
The Ohio Citizens Trust Co., Toledo, Ohio	300,000
The Ohio National Bank of Columbus, Columbus, Ohio	2,100,000
The Richland Trust Co., Mansfield, Ohio	200,000
The Toledo Trust Co., Toledo, Ohio	1,200,000
The Union National Bank, Pittsburgh, Pa.	750,000
Western Pennsylvania National Bank, Pittsburgh, Pa.	210,000
Total	80,000,000

The application states that Columbia's expenses incident to the proposed issuance of notes are estimated at \$400 and that no State commission and no Federal commission, other than this Commission, has jurisdiction over the proposed transactions.

Notice is further given that any interested person may, not later than June 17, 1965, request in writing that a hearing be held on such matter, stating the nature of his interest, the reasons for such request, and the issues of fact or law raised by said declaration which he desires to controvert; or he may request that he be notified if the Commission should order a hearing thereon. Any such request should be addressed: Secretary, Securities and Exchange Commission, Washington, D.C., 20549. A copy of such request should be served personally or by mail (air mail if the person being served is located more than 500 miles from the point of mailing) upon the declarant at the above-stated address, and proof of service (by affidavit or, in case of an attorney at law, by certificate) should be filed contemporaneously with the request. At any time after said date, the declaration, as filed or as it may be amended, may be permitted to become effective as provided in Rule 23 of the General Rules and Regulations promulgated under the Act, or the Commission may grant exemption from such rules as provided in Rules 20(a) and 100 thereof or take such other action as it may deem appropriate.

For the Commission (pursuant to delegated authority).

[SEAL] ORVAL L. DuBOIS,
Secretary.

[P.R. Doc. 65-5682; Filed, June 1, 1965; 8:45 a.m.]

[File No. 1-3421]

CONTINENTAL VENDING MACHINE CORP.

Order Suspending Trading

MAY 26, 1965.

The common stock, 10 cents par value, of Continental Vending Machine Corp., being listed and registered on the American Stock Exchange and having unlisted trading privileges on the Philadelphia-Baltimore-Washington Stock Exchange, and the 6 percent convertible subordinated debentures due September 1, 1976 being listed and registered on the Ameri-

can Stock Exchange, pursuant to provisions of the Securities Exchange Act of 1934; and

It appearing to the Securities and Exchange Commission that the summary suspension of trading in such securities on such Exchanges and otherwise than on a national securities exchange is required in the public interest and for the protection of investors;

It is ordered, Pursuant to sections 15(c)(5) and 19(a)(4) of the Securities Exchange Act of 1934, that trading in such securities on the American Stock Exchange, the Philadelphia-Baltimore-Washington Stock Exchange and otherwise than on a national securities exchange be summarily suspended, this order to be effective for the period May 27, 1965, through June 5, 1965, both dates inclusive.

By the Commission.

[SEAL] ORVAL L. DuBOIS,
Secretary.

[P.R. Doc. 65-5683; Filed, June 1, 1965; 8:45 a.m.]

[File 7-2440]

KLM ROYAL DUTCH AIRLINES

Notice of Application for Unlisted Trading Privileges and of Opportunity for Hearing

MAY 26, 1965.

In the matter of application of the Philadelphia-Baltimore-Washington Stock Exchange for unlisted trading privileges in a certain security; Securities Exchange Act of 1934.

The above named national securities exchange has filed an application with the Securities and Exchange Commission pursuant to section 12(f)(1)(B) of the Securities Exchange Act of 1934 and Rule 12f-1 thereunder, for unlisted trading privileges in the common stock of the following company, which security is listed and registered on one or more other national securities exchanges: KLM Royal Dutch Airlines, File 7-2440.

Upon receipt of a request, on or before June 11, 1965 from any interested person, the Commission will determine whether the application shall be set down for hearing. Any such request should state briefly the nature of the interest of the person making the request and the position he proposes to take at the hearing, if ordered. In addition, any interested person may submit his views or any additional facts bearing on the said application by means of a letter addressed to the Secretary, Securities and Exchange Commission, Washington 25, D.C., not later than the date specified. If no one requests a hearing, this application will be determined by order of the Commission on the basis of the facts stated therein and other information contained in the official files of the Commission pertaining thereto.

For the Commission (pursuant to delegated authority).

[SEAL] ORVAL L. DuBOIS,
Secretary.

[P.R. Doc. 65-5684; Filed, June 1, 1965; 8:45 a.m.]

TARIFF COMMISSION

CLINICAL THERMOMETERS

Report to the President

MAY 27, 1965.

The Tariff Commission today reported to the President that the reduction of duties on clinical thermometers by the restoration of the trade-agreement rate "would not likely have a material effect on most of the larger domestic producers." The Commission observed, however, that most of the smaller producers would be adversely affected because they have been unable to mechanize their operations and because they cannot afford large sales forces or national advertising and hence are forced to sell in highly competitive local markets.

The Commission's statements were made as the result of an investigation requested by the President to assist him in determining whether or not to reduce or terminate an increased duty imposed on thermometers in 1958 under the escape-clause procedure.

In its report, the Commission pointed out that the larger domestic producers, those that account for about three-fourths of U.S. output, "are in a stronger position than before to meet import competition, and they sell the major share of their output to the retail trade, which has not been subject to great pressure from imports."

The report concludes an investigation (No. TEA-IA-7) instituted by the Commission, upon request of the President, under section 351(d)(2) of the Trade Expansion Act of 1962. Under that act, the Commission's advice is to be taken into account by the President before he determines whether or not to reduce or terminate an increase in duty imposed under the escape-clause procedure. A reduction in duty on clinical thermometers from 85 percent to 42½ percent ad valorem was made in 1951 pursuant to a concession granted by the United States in the General Agreement on Tariffs and Trade. The preconcession rate of 85 percent was restored in 1958 under the escape-clause provisions of the Trade Agreements Extension Act of 1951.

Certain portions of the report to the President may not be made public since they contain information that would reveal the operations of individual concerns. The Commission, therefore, is releasing the report to the public with those portions omitted.

Copies of the public report (the release of which was authorized by the President) are available upon request as long as the limited supply lasts. Address requests to the Secretary, U.S. Tariff Commission, Eighth and E Streets NW., Washington, D.C., 20436.

By direction of the Commission.

[SEAL]

DONN N. BENT,
Secretary.[P.R. Doc. 65-5702; Filed, June 1, 1965;
8:47 a.m.]

DEPARTMENT OF LABOR

Office of Labor-Management and Welfare-Pension Reports

REPORTING FORM D-2

Proposed Changes

Section 7 of the Welfare and Pension Plans Disclosure Act (sec. 7, 72 Stat. 1000, 76 Stat. 36, 37; 29 U.S.C. 306), requires annual financial reports from covered employee welfare and pension benefit plans. Reporting is required on Form D-2, "Employee Welfare or Pension Benefit Plan Annual Report Form", as prescribed in 29 CFR 460.4. In order, however, to provide for more comprehensive and meaningful disclosure, and to accommodate the Form to 1962 amendments to the Act, it is proposed herewith to issue an amended Form D-2.

Interested persons are offered 45 days from the date of publication of this notice in the FEDERAL REGISTER to offer comments concerning the proposed amended form. Comments should be addressed to:

Labor-Management Services Administrator,
U.S. Department of Labor, 14th and Constitution Avenue NW., Washington, D.C., 20210.

Copies of the proposed amended form may be obtained upon request to:

Director, Office of Labor-Management and Welfare Pension Reports, U.S. Department of Labor, 14th and Constitution Avenue NW., Washington, D.C., 20210.

or any of the following offices of the Office of Labor-Management and Welfare-Pension Reports:

CALIFORNIA—Room 7731, Federal Building, 300 North Los Angeles Street, Los Angeles, 90012; 450 Golden Gate Avenue, San Francisco, 94102.

COLORADO—821 17th Street, Denver, 80202.
DISTRICT OF COLUMBIA—1111 20th Street NW., Washington, 20210.

FLORIDA—51 Southwest First Avenue, Miami, 33130.

GEORGIA—1365 Peachtree Street NE., Atlanta, 30309.

HAWAII—680 Ala Moana Boulevard, Honolulu, 96813.

ILLINOIS—219 South Dearborn Street, Chicago, 60604.

LOUISIANA—423 Canal Street, New Orleans, 70130.

MASSACHUSETTS—333 Washington Street, Boston, 02108.

MICHIGAN—234 State Street, Detroit, 48226.

MINNESOTA—110 South Fourth Street, Minneapolis, 55401.

MISSOURI—1520 Market Street, St. Louis, 63103; 911 Walnut Street, Kansas City, 64106.

NEW JERSEY—1060 Broad Street, Newark, 07102.

NEW YORK—121 Ellicott Street, Buffalo, 14203; 233 West 49th Street, New York, 10019.

OHIO—1365 Ontario Street, Cleveland, 44114.

PENNSYLVANIA—Ninth and Market Streets, Philadelphia, 19107; 1000 Liberty Avenue, Pittsburgh, 15222.

PUEERTO RICO—1200 Ponce de Leon Avenue, Santurce, 00907.

TENNESSEE—801 Broad Street, Nashville, 37203.

TEXAS—1416 Commerce Street, Dallas, 75201.

WASHINGTON—506 Second Avenue, Seattle, 98104.

This proposed amendment to Form D-2 is issued under the authority of sections 5 and 7 of the Welfare and Pension Plans Disclosure Act (72 Stat. 999, 1000; 76 Stat. 36, 37; 29 U.S.C. 304, 306), Secretary's Order No. 24-63 (28 F.R. 9172), and Secretary's Order No. 25-63 (28 F.R. 9173).

Signed at Washington, D.C., this 27th day of May 1965.

JAMES J. REYNOLDS,
Labor-Management
Services Administrator.

[P.R. Doc. 65-5697; Filed, June 1, 1965;
8:47 a.m.]